The Ontario Securities Commission

OSC Bulletin

May 6, 2005

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The Ontario Securities Commission Administers the
Securities Act of Ontario (R.S.O. 1990, c.S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c.C.20)

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

MAY 6, 2005

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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20 Queen Street West
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- -

THE COMMISSIONERS

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Paul K. Bates	—	PKB
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Harold P. Hands	—	HPH
David L. Knight, FCA	—	DLK
Mary Theresa McLeod	—	MTM
H. Lorne Morphy, Q.C.	—	HLM
Carol S. Perry	—	CSP
Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Cornwall *et al*** s. 127 K. Manarin in attendance for Staff Panel: TBA
TBA	**Philip Services Corp. *et al*** s. 127 K. Manarin in attendance for Staff Panel: TBA
May 10, 2005 10:00 a.m.	**Zoran Popovic & DXStorm.com Inc.** s. 127 Y. Chisholm in attendance for Staff Panel: WSW/CSP/ST
May 12, 13, 16, 18, 20, 30, 2005 June 1 & 3, 2005 10:00 a.m. May 19, 2005 1:00 p.m.	ATI Technologies Inc.*, **Kwok Yuen Ho, Betty Ho,** JoAnne Chang*, David Stone*, Mary de La Torre*, Alan Rae* and Sally Daub* s. 127 M. Britton in attendance for Staff Panel: SWJ/HLM/MTM * Settled
May 17, 2005 10:00 a.m.	**Portus Alternative Asset Management Inc., and Portus Asset Management, Inc.** s. 127 M. MacKewn in attendance for Staff Panel: TBD

May 18, 2005
9:00 a.m.

Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson

s.127

J. Superina in attendance for Staff

Panel: TBA

May 24-27, 2005
10:00 a.m.

Joseph Edward Allen, Abel Da Silva, Chateram Ramdhani and Syed Kabir

s.127

J. Waechter in attendance for Staff

Panel: RLS/ST/DLK

May 30, June 1, 2, 6, 7, 8, 9 and 10, 2005
10:00 a.m.

Buckingham Securities Corporation, David Bromberg*, **Norman Frydrych,** Lloyd Bruce* **and Miller Bernstein & Partners LLP (formerly known as Miller Bernstein & Partners)**

s. 127

J. Superina in attendance for Staff

Panel: PMM/RWD/DLK

* David Bromberg settled April 20, 2004
* Lloyd Bruce settled November 12, 2004

June 3, 2005
10:00 a.m.

Robert Patrick Zuk, Ivan Djordjevic, Matthew Noah Coleman, Dane Alan Walton, Derek Reid and Daniel David Danzig

s. 127

J. Waechter in attendance for Staff

Panel: TBA

June 29 & 30, 2005
10:00 a.m.

Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton

s. 127

J. Cotte in attendance for Staff

Panel: PMM/RWD/DLK

August 29, 2005 to September 16, 2005
10:00 a.m.

In the matter of Allan Eizenga, Richard Jules Fangeat*, Michael Hersey*, Luke John McGee* and Robert Louis Rizzutto* **and In the matter of Michael Tibollo**

s.127

September 12, 2005

T. Pratt in attendance for Staff

2:30 p.m.

Panel: WSW/PKB/ST

* Fangeat settled June 21, 2004
* Hersey settled May 26, 2004
* McGee settled November 11, 2004
* Rizzutto settled August 17, 2004

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol

1.1.2 OSC Staff Notice 11-750 - IOSCO Releases Survey Report on the Regulation and Oversight of Auditors

OSC STAFF NOTICE 11-750

IOSCO RELEASES SURVEY REPORT ON THE REGULATION AND OVERSIGHT OF AUDITORS

In response to widespread interest in the conduct and quality of audits and in the oversight of auditors, in 2004 the Technical Committee of the International Organization of Securities Commissions (IOSCO),[1] in cooperation with a group of other international organizations, developed a *Survey on the Regulation and Oversight of Auditors*. The goal of the Survey was to obtain a point-in-time, baseline description of the structures and processes in place in 2004 for regulation and oversight of auditing around the world to assist regulators, oversight bodies and other organizations that are working to enhance auditor oversight and international audit quality.

IOSCO's Survey also sought to identify the extent to which the auditor oversight arrangements in place as of the end of 2004 encompass the recommendations in IOSCO's *Principles for Auditor Oversight* and *Principles of Auditor Independence and the Role of Corporate Governance in Monitoring an Auditor's Independence*. These Statements of Principles were developed by IOSCO's Technical Committee in 2002 and endorsed by IOSCO's Presidents' Committee in October 2003.[2]

58 responses to the Survey were submitted. The Ontario Securities Commission and Autorité des Marchés Financiers (Quebec) submitted a joint response to the Survey.

In April 2005, IOSCO's Technical Committee published a *Survey Report on Regulation and Oversight of Auditors* (Survey Report), which provides a high-level summary of the major findings. The Survey Report can be downloaded from IOSCO's website at www.iosco.org (Library – Public Document #199).

The Survey Report addresses matters such as:

- legal frameworks for auditor oversight in different jurisdictions;
- the oversight of auditors' work by audit committees, supervisory boards and similar groups;
- other aspects of auditor oversight, including areas such as licensing, qualifications and training, peer reviews, independent inspections, investigations and discipline; and
- structures, powers and funding of auditor oversight bodies.

The overall picture provided by the Survey Report shows a mixed and changing landscape for auditor oversight arrangements. For example, the Survey revealed that the IOSCO Principles for auditor oversight and auditor independence have been broadly implemented in most of the Technical Committee jurisdictions. However, the Survey Report concludes that "on a global basis, it is evident that a great deal remains to be accomplished to create auditor oversight structures and quality assurance processes that fully encompass the IOSCO principles".

The Survey Report also notes, however, that legal frameworks, established professional customs and practices, regulatory structures and practices for auditors, and governance practices that touch on financial reporting are being re-examined and in many cases enhanced in many countries and regions in the world. In particular, the areas of auditor oversight and audit quality assurance are undergoing significant change. Several countries (including Canada) have established new auditor oversight bodies and other survey respondents indicated that they plan to create such bodies in the near future. In addition to these national efforts, initiatives are underway at a regional level (*e.g.* in the European Union) and a global level to strengthen auditor oversight and audit quality assurance. For example, at the global level, IOSCO and other members of an informal monitoring group of international organizations are continuing to encourage and monitor the work being done by the International Federation of Accountants (IFAC) and by professional organizations and networks of accounting firms. In connection with these efforts, an international Public Interest Oversight Board was formally established on February 28, 2005 to oversee IFAC's standard-setting activities for auditing, professional ethics and education.[3]

[1] The Commission is a member of IOSCO, including its Presidents' Committee, Executive Committee, Technical Committee and a number of other sub-committees. More information about IOSCO and the Commission's participation in IOSCO can be found on the Commission's website at www.osc.gov.on.ca (International Affairs – Who's Who).

[2] IOSCO's Technical Committee brings together regulators from fifteen countries where the many of the world's largest and most internationalized markets are located. The Presidents' Committee brings together all of IOSCO's Ordinary Members and Associate Members and includes representatives from more than 100 countries.

[3] Commission Chair David Brown is one of the founding members of the PIOB. To learn more about the PIOB, download the Winter 2005 edition of the Commission's *International Update* from the Commission's website at www.osc.gov.on.ca (International Affairs – International Updates).

Looking to the future, IOSCO intends to conduct a further analysis of key results of its Survey as it monitors continuing international developments that affect auditor oversight and audit quality assurance. Consideration will also be given to the need to: (1) update the IOSCO Principles for auditor oversight and auditor independence in light of changing expectations with respect to audits; (2) enhance existing oversight arrangements; and (3) initiate additional actions as needed for investor protection and market confidence. IOSCO also expects to update selected portions of the Survey in future years, after further developments have occurred in oversight structures and processes.

IOSCO encourages regulators and international organizations with responsibilities for audit oversight matters to use the information contained in the baseline survey.[4]

Questions about the Survey and Survey Report may be referred to:

John A. Carchrae, CA
Chief Accountant
Ontario Securities Commission
Tel: (416) 593 8221
Fax: (416) 593 3693
email: jcarchrae@osc.gov.on.ca

May 6, 2005

[4] Copies of the detailed statistical compilation for individual questions will be sent, upon request, to IOSCO member regulators. Members of auditor oversight bodies and international regulatory and financial institutions with an interest in auditor oversight may also obtain access to the detailed compilation by contacting the IOSCO Secretary-General. Contact details are specified in the Survey Report.

1.1.3 OSC Staff Notice 11-751 - IOSCO Finalizes Consultation Policy and Procedures

OSC STAFF NOTICE 11-751

IOSCO FINALIZES CONSULTATION POLICY AND PROCEDURES

In November 2004, the International Organization of Securities Commissions (IOSCO)[1] published for public comment a draft statement of its Consultation Policy and Procedures. The document was posted on IOSCO's website at www.iosco.org (Library - IOSCO Public Document #175). Staff Notice 11-741 about the draft Consultation Policy and Procedures was published in the OSC Bulletin on November 12, 2004. The Staff Notice and the draft Consultation Policy and Procedures also were posted on the Ontario Securities Commission's website at www.osc.gov.on.ca (International Affairs - Current Consultations).

The consultation period closed on January 8, 2005 and IOSCO subsequently published the comments it received on its website (Library - Public Document #191). After evaluating the comments it received, IOSCO revised the draft statement and published the final version of its Consultation Policy and Procedures in April 2005. This document can be downloaded from IOSCO's website (Library - Public Document #197). It also can be downloaded from the OSC's website at www.osc.gov.on.ca (International Affairs - Current Consultations) until the end of 2005.

Questions may be referred to:

Janet Holmes
Manager, International Affairs
Ontario Securities Commission
Tel: (416) 593 8282
Fax: (416) 593 8241
email: jholmes@osc.gov.on.ca

May 6, 2005

[1] The Commission is a member of IOSCO, including its Executive Committee, Technical Committee and a number of other sub-committees. More information about IOSCO and the Commission's participation in IOSCO can be found on the Commission's website at www.osc.gov.on.ca (International Affairs - Who's Who).

1.1.4 CSA Staff Notice 52-309 - Multilateral Instrument 52-110 Audit Committees Compliance Review

MULTILATERAL INSTRUMENT 52-110 *AUDIT COMMITTEES*
COMPLIANCE REVIEW

Multilateral Instrument 52-110 *Audit Committees* (the **Instrument**) came into force on March 30, 2004 in every jurisdiction in Canada except British Columbia and Quebec. In Quebec, it will come into force once it is approved by the Minister of Finance. With limited exceptions, the Instrument applies to all reporting issuers.

Issuers subject to the Instrument are reminded that they must comply with the Instrument's requirements beginning on the earlier of

- the issuer's first annual meeting after July 1, 2004, and
- July 1, 2005.

Commencing shortly, staff from certain CSA jurisdictions will conduct a compliance review of a sample of issuers. This review will focus on each issuer's compliance with the Instrument's requirements regarding audit committee composition and responsibilities. Issuers that have been selected for this review will be contacted by CSA staff.

We will publish the results and outcomes of this review upon its completion.

Questions may be referred to the following people:

Rick Whiler
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Telephone: (416) 593-8127
E-mail: rwhiler@osc.gov.on.ca

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Alberta Securities Commission
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Wayne Bridgeman
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Frank A Mader
Nova Scotia Securities Commission
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E-mail: maderfa@gov.ns.ca

May 6, 2005

1.3 News Releases

1.3.1 OSC Settlement with Agnico-Eagle Mines Limited Approved

FOR IMMEDIATE RELEASE
April 28, 2005

OSC SETTLEMENT WITH AGNICO-EAGLE MINES LIMITED APPROVED

TORONTO - The Ontario Securities Commission today approved a settlement agreement between Staff and Agnico-Eagle Mines Limited, with reasons to follow.

Copies of the Settlement Agreement and the Order made by the Commission are available on the OSC's website at (**www.osc.gov.on.ca**).

For Media Inquiries: Eric Pelletier
Manager, Media Relations
(416) 595-8913

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.3.2 OSC Hearing Adjourned: Francis Jason Biller

FOR IMMEDIATE RELEASE
April 29, 2005

OSC HEARING ADJOURNED: FRANCIS JASON BILLER

TORONTO - On April 19, 2005, a Notice of Hearing was issued and a Statement of Allegations delivered in respect of Francis Jason Biller. Staff of the Ontario Securities Commission (OSC) allege that Biller has engaged in conduct contrary to the public interest and are seeking an order that, among other things, Biller permanently cease trading in securities.

In February 2000, the British Columbia Securities Commission issued an order prohibiting Biller from engaging in investor relations activities for a period of 10 years as a result of his involvement in Eron Mortgage and other related companies in British Columbia. On April 5, 2005, Biller pled guilty in the British Columbia Supreme Court to four counts of fraud and one count of theft contrary to the Criminal Code of Canada in relation to his involvement in Eron Mortgage. Staff of OSC allege that, while residing in Ontario, Biller has traded in securities of Extreme Poker Ltd., a non-reporting issuer in the United States, without being registered in accordance with Ontario securities laws.

On consent of Staff of the OSC and counsel for Biller, the OSC ordered today that the hearing of these allegations be adjourned from April 29, 2005 to September 28 and 29, 2005, or as soon thereafter as a panel may be constituted. The OSC also ordered on consent of Staff of the OSC and counsel for Biller that Biller cease trading in all securities until a full hearing of this matter is concluded and a decision rendered.

Copies of the Notice of Hearing and Statement of Allegations issued on April 19, 2005 in this matter are available on the Commission's website (**www.osc.gov.on.ca**).

For Media Inquiries: Eric Pelletier
Manager, Media Relations
416-595-8913

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.3.3 OSC Proceedings against Andrew Rankin to Commence May 2, 2005

FOR IMMEDIATE RELEASE
April 29, 2005

OSC PROCEEDINGS AGAINST ANDREW RANKIN TO COMMENCE MAY 2, 2005

TORONTO – The proceedings by the Ontario Securities Commission (OSC) against Andrew Rankin will be heard before the Ontario Court of Justice, 60 Queen Street West, Old City Hall, beginning at 9:30 a.m. on Monday, May 2, 2005 in Courtroom 121.

The charges against Mr. Rankin are available on the OSC's web site (www.osc.gov.on.ca) as an attachment to a news release dated February 4, 2004.

For Media Inquiries: Eric Pelletier
Manager, Media Relations
416-595-8913

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 KCP Income Fund and KIK Acquisition Company - MRRS Decision Document

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer is subsidiary of income trust -issuer carries on no independent operations and acts solely as a funding conduit between the income trust and its operating subsidiaries -issuer exempt from short form prospectus eligibility requirements provided income trust meets eligibility requirements -issuer exempt from continuous disclosure requirements provided income trust complies with its continuous disclosure requirements -other conditions applicable.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am.

Applicable Ontario Rules

National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.1, 15.1.
National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.
Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 4.5.

April 19, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO,
QUÉBEC, NEW BRUNSWICK, PRINCE EDWARD ISLAND, NOVA SCOTIA,
AND NEWFOUNDLAND AND LABRADOR (THE "JURISDICTIONS")

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
KCP INCOME FUND (THE "FUND") AND
KIK ACQUISITION COMPANY ("KIK ACQUISITION")
AND, TOGETHER WITH THE FUND, THE "FILERS")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the "Legislation") for

(a) a decision in every Jurisdiction exempting KIK Acquisition from the requirement (the "Short Form Eligibility Requirements") contained in section 2.1 of National Instrument 44-101 Short Form Prospectus Distributions ("NI 44-101");

(b) a decision in every Jurisdiction exempting KIK Acquisition from the requirements in the Legislation to: (i) issue and file with the Decision Makers news releases and file with the Decision Makers reports upon the occurrence of a material change; (ii) file with the Decision Makers and send to its security holders audited annual comparative financial statements together with the auditor's report or annual reports containing such statements; (iii) file with the Decision Makers and send to its security holders unaudited interim comparative financial statements; (iv) file with the Decision Makers and send to its security holders annual and interim management's discussion and analysis with respect to annual or interim financial statements; (v) file with the Decision Makers an annual information form; (vi) file with the Decision Makers and send to holders of its security holders a form of proxy and information circular; and (vii) to otherwise comply with the requirements prescribed by National Instrument 51-102 Continuous Disclosure Obligations (the "Continuous Disclosure Requirements"); and

(c) a decision in every Jurisdiction other than British Columbia, Prince Edward Island and Québec exempting KIK Acquisition from the requirement to file annual certificates and interim certificates under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (the "Certification Requirement").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation
Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

The decision is based on the following facts represented by the Filers:

The Fund

1. The Fund is an unincorporated open-ended trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated July 9, 2002, as amended (the "Declaration of Trust"). The principal and head office of the Fund is located at 33 MacIntosh Blvd., Concord, Ontario, L4K 4L5.

2. The authorized capital of the Fund consists of an unlimited number of units ("Units"). The initial public offering of 22,500,000 Units was made pursuant to a prospectus dated August 13, 2002. The Fund is a reporting issuer or the equivalent in every Jurisdiction where such status exists and, to the best of its knowledge, information and belief, is not in default of any requirements of the Legislation. As at December 31, 2004, there were 26,365,853 Units issued and outstanding.

3. The Fund holds, indirectly, an approximate 82% interest in KIK Holdings Limited Partnership ("KLP") which owns, directly or indirectly, KIK Holdco Company ("KIK Holdco") and KIK Operating Partnership ("KOP", and together with KIK Holdco, "KIK"). KIK is North America's largest producer of private label household bleach. KIK is also a producer of other private label and branded household cleaning and laundry products.

4. The Fund's subsidiary entities have significant U.S. based operations and, as such, the Fund was established as a "fixed investment trust" for United States federal income tax purposes under U.S. Treasury Regulation section 301.7701-4(c).

5. The Fund's assets consist solely of all of the units of KIK Operating Trust ("KOT") and all of the C$223,982,267.50 principal amount of KOT notes. The Fund may from time to time subscribe for additional KOT units and KOT notes but, as a "fixed investment trust", and consistent with other restrictions contained in the Declaration of Trust, it is precluded from directly or indirectly owning any other securities or investments. KOT holds interest bearing (at a rate of 14% per annum) promissory notes ("KLP Debt") issued by KLP in the aggregate amount of C$197,631,412.50.

6. The Units are listed and posted for trading on the Toronto Stock Exchange under the symbol "KCP.UN".

KIK Acquisition

7. KIK Acquisition is an unlimited liability company established under the laws of Nova Scotia. All of the issued and outstanding shares of KIK Acquisition are owned by KLP. KIK Acquisition is the owner of all the issued and outstanding shares of KIK Holdco. KLP holds interest bearing (at a rate of 14.01% per annum) promissory notes ("KIK Debt") issued by KIK Acquisition in the aggregate amount of C$194,062,500.00. The principal and head office of KIK Acquisition is located at Halifax, Nova Scotia.

8. The authorized capital of KIK Acquisition consists of 500,000,000 Voting Common Shares without nominal or par value and 500,000,000 Non-voting Common Shares without nominal or par value. The current shareholder is KLP, which holds 10,828,446 Voting Common Shares.

9. KIK Acquisition is not a "reporting issuer" or the equivalent in any Jurisdiction.

10. KIK Acquisition is a wholly owned subsidiary of KLP, which is in turn a controlled subsidiary entity of the Fund. KIK Acquisition carries on no independent operations. It acts solely as a funding conduit between the Fund and its operating subsidiaries.

The Offering

11. The Fund intends to acquire indirectly through certain of its affiliates the custom manufacturing division (the "Custom Division") of CCL Industries Inc. and all of the issued and outstanding shares of CCL Custom Manufacturing, Inc. ("Custom Inc.", and together with the Custom Division, "Custom"). The combined purchase price for the Custom Division and Custom Inc. is currently expected to be over US$200,000,000.

12. The Fund proposes to finance a portion of the purchase price through an underwritten public offering of Units by the Fund and Debentures by KIK Acquisition in all of the provinces of Canada and privately to institutional investors in the United States.

13. The salient terms of the proposed Debentures are as follows:

    (i) The Debentures will be dated as of the closing of the offering and will mature on November 30, 2010 ("Maturity").

    (ii) The Debentures will bear interest from the date of issue at a rate of 6.5% per annum payable semi-annually in arrears

on the last day of May and November in each year, commencing on November 30, 2005. The interest on the Debentures will be payable in lawful money of the United States of America.

(iii) The Debentures will be exchangeable at the holder's option into fully paid and non-assessable Units if the closing price of the Units on the TSX is $10.00 or more for five consecutive trading days, at any time prior to 5:00 p.m. (Toronto time) on the earlier of November 30, 2010 and the business day immediately preceding the date specified by KIK Acquisition for redemption of the Debentures, at a certain exchange price (the "Exchange Price"). Debentureholders exchanging their Debentures will receive accrued and unpaid interest thereon up to, but excluding, the date of exchange.

(iv) On redemption or at Maturity, KIK Acquisition will repay the indebtedness represented by the Debentures by paying to the debenture trustee in lawful money of the United States of America an amount equal to the principal amount of the outstanding Debentures, together with accrued and unpaid interest thereon.

(v) The Debentures will not be redeemable prior to November 30, 2008. On or after November 30, 2008 and prior to November 30, 2009, the Debentures will be redeemable in whole or in part from time to time at the option of KIK Acquisition on not more than 60 days and not less than 30 days prior notice at a price equal to the principal amount thereof plus accrued and unpaid interest, provided that the weighted average trading price of the Units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the day prior to the date upon which the notice of redemption is given, converted into US dollars (based on the Bank of Canada noon exchange rate on each such trading day) is at least 125% of the Exchange Price. On or after November 30, 2009, the Debentures will be redeemable prior to Maturity in whole or in part from time to time at the option of the Fund on not more than 60 days and not less than 30 days prior notice at a price equal to the principal amount thereof plus accrued and unpaid interest.

(vi) The payment of the principal of, and interest on, the Debentures will rank senior to Subordinated Intercompany Debt and subordinate in right of payment, as set forth in the Indenture, to the prior payment in full of all Senior Indebtedness of KIK Acquisition. "Subordinated Intercompany Debt" means intercompany debt of the Fund and its subsidiaries, including KIK Debt. "Senior Indebtedness" of KIK Acquisition is defined in the Indenture as all indebtedness, liabilities and obligations of KIK Acquisition (other than the Debentures), whether outstanding on the date of the Indenture or thereafter created, incurred, assumed or guaranteed in connection with the acquisition by KIK Acquisition of any businesses, properties or other assets or for monies borrowed or raised by whatever means (including, without limitation, by means of commercial paper, banker's acceptances, letters of credit, debt instruments, bank debt and financial leases, and any liability evidenced by bonds, debentures, notes or similar instruments) or in connection with the acquisition of any businesses, properties or other assets or for monies borrowed or raised by whatever means (including, without limitation, by means of commercial paper, banker's acceptances, letters of credit, debt instruments, bank debt and financial leases, and any liability evidenced by bonds, debentures, notes or similar instruments) by others including, without limitation, any subsidiary (as defined in the Securities Act (Ontario)) of KIK Acquisition, for payment of which KIK Acquisition is responsible or liable, whether absolutely or contingently.

(vii) Upon the occurrence of a change of control of the Fund involving the acquisition of voting control or direction over 66 2/3% or more of the outstanding Units and securities convertible into or carrying the right to acquire Units or upon KIK Acquisition ceasing to be a controlled indirect subsidiary of the Fund (collectively, a "Change of Control"), each holder of Debentures may require KIK Acquisition to purchase, on the date which is 30 days following the giving of notice of the Change of Control as set out below (the "Put Date"), the whole or any part of such holder's Debentures at a price equal to 101% of the principal amount thereof (the "Put Price") plus accrued and unpaid interest up to, but excluding, the Put Date. If 90% or more in the aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered for purchase

on the Put Date, KIK Acquisition will have the right to redeem all the remaining Debentures on such date at the Put Price, together with accrued and unpaid interest up to, but excluding, the Put Date.

(viii) Pursuant to the terms of the Indenture, the Fund shall take all actions and do all things reasonably necessary or desirable to enable and permit KIK Acquisition, in accordance with applicable law, to perform its obligations under the Indenture to deliver the requisite number of Units to the extent holders of Debentures exercise their exchange rights as set out above.

14. The Fund, KOT, and KLP have no independent business operations, interests in other businesses or material assets and liabilities other than their direct or indirect investment in KIK Acquisition and its subsidiaries.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make he decision has been met.

The decision of the Decision Makers under the Legislation is that the KIK Acquisition is exempt from the Short Form Eligibility Requirement provided that:

(a) the Fund is eligible to file a prospectus in the form of a short form prospectus under NI 44-101;

(b) KIK Acquisition remains a subsidiary of the Fund;

(c) all audited annual comparative financial statements and interim comparative financial statements filed by the Fund under the Legislation are prepared on a consolidated basis in accordance with Canadian generally accepted accounting principles or such other standards as may be permitted under the Legislation from time to time; and

(d) the business of KIK Acquisition continues to be the same as the business of the Fund, in that the Fund, KOT and KLP have no independent business operations, interests in other businesses or material assets and liabilities other than their direct or indirect investment in KIK Acquisition and its subsidiaries.

The further decision of the Decision Makers under the Legislation is that KIK Acquisition is exempt from the Continuous Disclosure Requirements provided that:

(a) the Fund remains a reporting issuer or the equivalent thereof in each Jurisdiction and an electronic filer within the meaning of National Instrument 13-101 System for Electronic Document Analysis and Retrieval (SEDAR);

(b) KIK Acquisition remains a subsidiary of the Fund;

(c) the business of KIK Acquisition continues to be the same as the business of the Fund, in that the Fund, KOT and KLP have no independent business operations, interests in other businesses or material assets and liabilities other than their direct or indirect investment in KIK Acquisition and its subsidiaries;

(d) the Fund complies with the Continuous Disclosure Requirements and files with the Jurisdictions all documents required to be filed under the Legislation;

(e) the Fund complies with the Certification Requirements;

(f) all audited annual comparative financial statements and interim comparative financial statements filed by the Fund under the Legislation are prepared on a consolidated basis in accordance with Canadian generally accepted accounting principles or such other standards as may be permitted under the Legislation from time to time;

(g) KIK Acquisition sends to all holders of Debentures resident in Canada the Fund's continuous disclosure materials, contemporaneously with the furnishing by the Fund of such materials to holders of Units;

(h) if there is a material change in the affairs of KIK Acquisition that is not material change in the affairs of the Fund, KIK Acquisition will comply with the requirements of the Legislation to issue a press release and file a material change report;

(i) the documents required to be filed by the Fund under the Legislation are filed under the SEDAR profiles of each of the Fund and KIK Acquisition within the time limits and in accordance with applicable fees required for the filing of such documents;

(j) KIK Acquisition does not issue any securities to the public other than the Debentures; and

(k) KIK Acquisition files a notice in its SEDAR profile stating that it has been granted relief from its continuous disclosure obligations and that the investors should refer to the continuous disclosure documents filed by the Fund which are also available in KIK Acquisition's SEDAR profile.

The further decision of the Decision Makers (other than the Decision Makers in British Columbia, Québec and Prince Edward Island) is that KIK Acquisition is exempt from the Certification Requirement for so long as it is exempt from the Continuous Disclosure Requirements in the manner provided for above.

"Charlie MacCready"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.2 Guinor Gold Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer's annual information form due no later than March 31, 2005 — issuer not a reporting issuer in a jurisdiction for more than 12 months until April 7, 2005 - issuer exempt from short form prospectus eligibility requirement that it be a reporting issuer for 12 months prior to the filing of its most recent annual information form.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am.

Applicable Ontario Rules

National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.1, 2.2, 15.1.

April 20, 2005

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND, NEWFOUNDLAND AND LABRADOR, NUNAVUT, THE YUKON TERRITORY, AND THE NORTHWEST TERRITORIES (THE JURISDICTIONS)**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
GUINOR GOLD CORPORATION
(THE FILER)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Filer be exempted from the requirement of section 2.1 of National Instrument 44-101 *Short Form Prospectus Distributions* (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications;

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

The decision is based on the following facts by the Filer:

1. The Filer was incorporated on February 12, 2004 pursuant to the *Business Corporations Act* (Yukon) for the sole purpose of making a take-over bid under Norwegian law for all of the shares of Kenor ASA (Kenor), then an Oslo Stock Exchange (OSE) listed Norwegian public company. The Filer's financial year - end is December 31.

2. By April 7, 2004, more than 93% of the shares of Kenor had been tendered to the offer of the Filer, and the Filer began compulsory acquisition procedures under Norwegian law to acquire the shares of Kenor that it did not then own. By May 25, 2004, the Filer had acquired 100% of the shares of Kenor which ceased to be a public company in Norway.

3. On April 7, 2004, common shares of the Filer began trading on the Toronto Stock Exchange under the symbol "GNR" and as a result the Filer became a reporting issuer in Ontario on April 7, 2004.

4. Concurrent with the redomicilliation transaction, the Filer completed an offering of special warrants, the underlying common shares of which were cleared by a final long form prospectus receipted in all of the provinces and territories of Canada on June 10, 2004. Accordingly, since June 10, 2004, the Filer has been a reporting issuer in each of the provinces and territories of Canada where such status exists.

5. The Filer currently has 171,616,089 common shares outstanding, which are listed on both the TSX and OSE. The Filer's current market capitalization as at March 17, 2005 is approximately Cdn.$188.7 million given the closing price of the shares on the TSX of Cdn.$1.10.

6. The Filer's main asset is its 85% indirect ownership interest in the Lefa Corridor Gold Project (LEFA) within the Dinguiraye Concession in the Republic of Guinea, West Africa. Production from open pit mining at LEFA commenced in April 1995, and open pit mines have produced in excess of 600,000 ounces of gold since that time.

7. For approximately the last 18 months, the Filer (and Kenor prior to it) have engaged the services of team of independent consultants to prepare a bankable feasibility study (BFS) regarding LEFA. The BFS was commissioned to determine the economic viability of expanding gold production in LEFA by mining sulphide ores and commissioning expanded plant and other infrastructure at the project.

8. On March 14, 2005, the Filer announced that it had received a positive BFS supporting an expansion of LEFA. The press release was issued in Canada and through the OSE and supports an increase in annual gold production to approximately 300,000 ounces per year over the estimated 7 year life of the project. In 2004, LEFA produced approximately 70,000 ounces of gold.

9. The BFS estimates that the capital required to expand the project will be approximately US$144 million (or approximately Cdn.$172 million).

10. On March 15, 2005, BMO Nesbitt Burns Inc., and two other underwriters proposed an underwritten private placement of special warrants in the amount of Cdn.$73.5 million. The Filer entered into an agreement with such underwriters, and agreed to issue 70,000,000 special warrants at Cdn.$1.05 per warrant, with an underwriters' option to purchase an additional 17,500,000 special warrants. The closing of the private placement, subject to approval of the TSX, is expected on or about April 5, 2005.

11. The Filer has committed to qualify the distribution of common shares on exercise of the special warrants by prospectus within 60 days of the closing of the private placement of special warrants.

12. Section 2.1 of National Instrument 44-101 *Short Form Prospectus Distributions* ("NI 44-101") prohibits an issuer from filing a short form prospectus unless the issuer is qualified under section 2.2, 2.3, 2.4, 2.5, 2.6, 2.7 or 2.8 of NI 44-101.

13. Paragraphs 2.2 1.(a)(i) and (ii) of NI 44-101 require that the Filer have been a reporting issuer in a local jurisdiction for the 12 months "preceding the date of the filing of its most recent AIF" as one condition to being able to file a prospectus in the form of a short form prospectus.

14. The Filer is required to file an AIF under National Instrument 51-102 *Continuous Disclosure Obligations* by March 31, 2005 and filed its AIF on that date.

15. Absent relief, on April 8, 2005, the Filer will not have been a reporting issuer in any local jurisdiction for 12 months from the date of the

filing of its most recent AIF. The Filer will have been a reporting issuer for 8 days short of the requirement given that its AIF was filed on March 31, 2005.

16. Absent relief, the Filer would be required, on April 8, 2005, to re-file its 2004 AIF in order to qualify to file a prospectus in the form of short form prospectus under section 2.2 of NI 44-101.

17. The Filer is not currently in default under the Legislation.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that Guinor:

(a) satisfies the requirements of section 2.2 of NI 44-101, other than paragraph 1;

(b) is, and throughout the 12 calendar months immediately preceding the date of the filing of a preliminary short form prospectus, a reporting issuer in at least one Jurisdiction; and

(c) has filed in the local Jurisdiction all continuous disclosure documents that it was required to file during the 12 calendar months preceding the date of the filing of its most recent AIF under Canadian securities legislation of any Jurisdiction in which it has been a reporting issuer.

"Erez Blumberger"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.3 Canadian Scholarship Trust Foundation - MRRS Decision

April 22, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NOVA SCOTIA, PRINCE EDWARD ISLAND, NEW BRUNSWICK NEWFOUNDLAND AND LABRADOR, AND THE YUKON AND NUNAVUT TERRITORIES (THE "JURISDICTION")

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
CANADIAN SCHOLARSHIP TRUST FOUNDATION (THE "FILER")
ON BEHALF OF THE CANADIAN SCHOLARSHIP TRUST GROUP PLAN, THE CANADIAN SCHOLARSHIP TRUST INDIVIDUAL PLAN AND THE CANADIAN SCHOLARSHIP TRUST FAMILY PLAN (COLLECTIVELY, THE "PLANS")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the time limits for the renewal of the simplified prospectus of the Plans dated April 27, 2004 (the Prospectus) be extended to the time limits that would be applicable if the lapse date of the Prospectus were June 14, 2005 (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications,

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a non-profit corporation without share capital incorporated by Letters Patent dated December 15, 1960 under the *Canada Corporations Act* with its head office located in Ontario;

2. The Plans are reporting issuers, or the equivalent thereof, as defined in the Legislation, and are not in default of any requirements of the Legislation or the regulations made thereunder;

3. The Filer is the sponsor and the administrator of the Plans;

4. The current offering of the Plans is being made pursuant to a prospectus (the "Prospectus") dated April 27, 2004, in respect of the continuous offering of scholarship agreements for the sale of units in the case of the Canadian Scholarship Trust Group Savings Plan, and scholarship savings plans in the case of the other Plans. The date of issuance of the receipt for the Prospectus is also April 27, 2004. Pursuant to the Legislation or the regulations made thereunder, the lapse date ("Lapse Date") for the distribution of scholarship agreements by the Plan is April 27, 2005.

5. There have been no material changes in the affairs of the Plan since the date of the Prospectus.

6. At the end of 2004, the *Canada Education Savings Act,* S.C. 2004, c. 26 ("CESA") and the *Alberta Centennial Education Savings Plan Act,* S.A. 2004, c. A-14.7 ("ACES") were enacted. CESA repeals the Canadian Education Savings Grant ("CESG") regulations under the *Department of Human Resources Development Act* (Canada), revises the CESG program and introduces the Canada Learning Bond to assist low income families with contributions to registered education savings plans ("RESPs"). ACES introduces another new grant payable into RESPs for children born in and attending school in the Province of Alberta.

7. The regulations under CESA (the Regulations) have not yet been finalized. The Regulations will contain very detailed requirements relating to eligibility for and calculation of CESGs and the Canada Learning Bond as well as rules dealing with the implications on CESGs and the Canada Learning Bond of transferring and terminating RESPs. The Regulations will also have an impact on the administration of the grant program under ACES.

8. Given that the final version of the Regulations is expected to be published in June and enacted by July 1, 2005, the Foundation seeks a 48 day extension of the lapse date for the distribution of securities under the Plans to June 14, 2005 to afford the Filer an opportunity to review the Regulations in their final form and to prepare appropriate disclosure in the renewal prospectus for the Plans so that the prospectus will contain full, true and plain disclosure of all material facts in respect of the Plans.

9. If the requested relief is not granted, a prospectus must be filed in accordance with the existing time limits for the renewal of the Prospectus, and must be receipted by April 27, 2005. Such a prospectus may need to be substantially revised shortly after the issuance of a final receipt in response to any changes to the Regulations prior to enactment. The financial costs and time involved in preparing, filing and printing a revised prospectus for the Plans would be unduly costly.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the time periods provided by the Legislation as they apply to a distribution of securities under the Prospectus are hereby extended to the time periods that would be applicable if the Lapse Date was June 14, 2005.

"Leslie Byberg"
Manager
Ontario Securities Commission

2.1.4 Builders Energy Services Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief granted from the requirement for an income trust to include certain financial statements of acquired businesses in a business acquisition report provided that:

(i) the business acquisition report includes the financial statements pertaining to the acquired businesses that were included in the income trust's final prospectus; and

(ii) the financial statements that were not included in the business acquisition report are filed separately by May 15, 2005.

The relief was granted as a short-term accommodation measure - Staff will not be recommending this type of relief going forward and, as a result, this decision should not be viewed as a precedent in Ontario - Issuers should plan to file complete business acquisition reports that include all required financial statement disclosure within the timeline prescribed by Part 8 of National Instrument 51-102.

Instrument Cited

National Instrument 51-102 Continuous Disclosure Obligations, Part 8.

Citation: Builders Energy Services Trust, 2005 ABASC 315

April 11, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA AND ONTARIO

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
BUILDERS ENERGY SERVICES TRUST

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Makers**"), in each of Alberta, Saskatchewan, Manitoba and Ontario, (collectively, the "**Jurisdictions**") has received an application from Builders Energy Services Trust (the "**Trust**" or the "**Applicant**") for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") that the Applicant is exempt from certain financial statement requirements contained in Part 8 of National Instrument 51-102 *Continuous Disclosure Requirements* ("**NI 51-102**").

The Applicant requested that the Decision Makers exercise their discretion under section 13.1 of NI 51-102 to exempt the Applicant from the requirement include certain financial statements required by Part 8 of NI 51-102 in the business acquisition report required to be filed by the Applicant under Part 8 of NI 51-102 in connection with the acquisition by Builders Energy Services Ltd. ("**Builders**") of Brazeau Well Servicing Ltd., C.D.T. Rentals Inc., Circle D Transport Inc., CTC Coil Tubing Completions Ltd., CTC Nitrogen Services Ltd., CTC Production Testing Ltd., Decarson Rentals (2000) Inc., Ken Polege Enterprises Ltd. and Remote Wireline Services Ltd. (collectively, the "**Acquired Companies**"), provided that the business acquisition report includes the financial statements contained in the Prospectus.

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Alberta Securities Commission is the principal regulator for this application, and

(b) the MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contain in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Trust:

1. The Trust is an open-end investment trust governed by the laws of the Province of Alberta and created by the Declaration of Trust dated November 29, 2004, as amended, supplemented or restated from time to time.

2. The Trust's head office is located at 540, 800 - 6th Avenue SW, Calgary, Alberta T2P 3G3.

3. The Trust has been a reporting issuer or equivalent in each of the Jurisdictions and British Columbia since January 17, 2005, being the date the on which a receipt was issued for the prospectus dated January 13, 2005 (the "**Prospectus**") of the Trust in respect of the initial public offering of 4,600,000 trust units ("**Units**") of the Trust (the "**Offering**").

4. To the best of its knowledge, the Trust is not in default of any requirements of the securities

legislation of the Jurisdictions (the "**Legislation**").

5. The Units are listed on the Toronto Stock Exchange. As of April 8, 2005, there are 8,935,226 Units issued and outstanding.

6. Although the Trust is also a reporting issuer in British Columbia, the Requested Relief is not being sought in this jurisdiction on the basis that Part 8 of NI 51-102 does not apply in British Columbia pursuant to BC Implementing Rule 51-801.

7. The Prospectus included disclosure regarding the acquisition of each of the Acquired Companies, including a description of the business, financial statements and management's discussion and analysis for each Acquired Company and pro forma financial statements of the Trust.

8. On January 25, 2005 the Trust closed the Offering and Builders acquired all of the issued and outstanding shares of the Acquired Companies (collectively, the "**Transactions**").

9. The Prospectus included the following financial statement disclosure:

(a) for Builders Energy Services Trust:

(i) auditors' report of the consolidated balance sheet as at November 29, 2004;

(ii) audited consolidated balance sheet as at November 29, 2004;

(iii) unaudited pro form consolidated balance sheet as at August 31, 2004 and unaudited pro forma consolidated statement of income for the eight-months ended August 31, 2004 and for the year ended December 31, 2004; and

(iv) notes to the pro forma consolidated financial statements eight-months ended August 31, 2004 and year ended December 31, 2003.

(b) Brazeau Well Servicing Ltd.:

(i) auditors' report of the balance sheets as at March 31, 2004 and 2003 and statements of income and retained earnings and cash flows for each of the years in the three-year period ended March 31, 2004;

(ii) audited balance sheets as at March 31, 2004 and 2003;

(iii) unaudited balance sheet as at August 31, 2004;

(iv) audited statements of income and retained earnings and cash flows for each of the years in the three-year period ended March 31, 2004;

(v) unaudited statements of income and retained earnings and cash flows for the five-months ended August 31, 2004 and 2003; and

(vi) notes to the financial statements as at August 31, 2004 (information as at August 31, 2004 and for the five-months ended August 31, 2004 and 2003 is unaudited).

(c) C.D.T. Rentals Inc.:

(i) auditors' report of the balance sheets as at July 31, 2004 and July 31, 2003 and the statements of earnings, retained earnings and cash flows for each of the years in the three-year period ended July 31, 2004;

(ii) audited balance sheets as at July 31, 2004 and July 31, 2003;

(iii) unaudited balance sheet as at August 31, 2004;

(iv) audited statements of earnings, retained earnings and cash flows for each of the years in the three-year period ended July 31, 2004;

(v) unaudited statements of earnings, retained earnings and cash flows for the one-month ended August 31, 2004 and 2003; and

(vi) notes to financial statements (information as at August 31, 2004 and for the month ended August 31, 2004 and 2003 is unaudited).

(d) Circle D Transport Inc.:

(i) audited balance sheets as at December 31, 2003 and 2002;

(ii) unaudited balance sheet as at August 31, 2004;

(iii) audited statements of income, retained earnings and cash flows for each of the years in the three-year period ended December 31, 2003;

(iv) unaudited statements of retained earnings, income and cash flows for the eight-months ended August 31, 2004 and 2003; and

(v) notes to financial statements (information as at August 31, 2004 and for the eight-months ended August 31, 2004 and 2003 is unaudited).

(e) Coil Tubing Completions Ltd.:

(i) auditors' report of the balance sheets as at August 31, 2004, September 30, 2003 and September 30, 2002 and the statements of income and retained earnings and cash flow for the eleven-month period ended August 31, 2004 and the two-year period ended September 30, 2003;

(ii) audited balance sheets as at August 31, 2004, September 30, 2003 and September 30, 2002;

(iii) audited statements of income and retained earnings and cash flow for the eleven-month period ended August 31, 2004 and the two-year period ended September 30, 2003; and

(iv) notes to the financial statements for the eleven-month period ended August 31, 2004.

(f) CTC Nitrogen Services Ltd.:

(i) auditors' report as at August 31, 2004, 2003 and 2002 and statements of income and retained earnings and cash flows for each of the years in the three-year period ended August 31, 2004;

(ii) audited balance sheet as at August 31, 2004, 2003 and 2002;

(iii) audited statements of income and retained earnings and cash flows for each of the years in the three-year period August 31, 2004; and

(iv) notes to the financial statements for the year ended August 31, 2004.

(g) CTC Production Testing Ltd.:

(i) auditors' report of the balance sheets as at August 31, 2004, 2003 and 2002 and the statements of income and retained earnings and cash flows for each of the years in the three-year period ended August 31, 2004;

(ii) audited balance sheets as at August 31, 2004, 2003 and 2002;

(iii) audited statements of income and retained earnings and cash flows for each of the years in the three-year period ended August 31, 2004; and

(iv) notes to the financial statements for the year ended August 31, 2004.

(h) Decarson Rentals (2000) Inc.

(i) auditors' report of balance sheets as at June 30, 2004 and 2003 and the statements of income (loss) and retained earnings (deficit) and cash flows for each of the years in the three-year period ended June 30, 2004;

(ii) audited balance sheet as at June 30, 2004 and 2003;

(iii) unaudited balance sheet as at August 31, 2004;

(iv) audited statements of income (loss) and retained earnings (deficit) and cash flows for each of the years in the three-year period ended June 30, 2004;

(v) unaudited statements of income (loss), retained earnings (deficit) and cash flows for two-months

ended August 31, 2004 and 2003; and

(vi) notes to the financial statements (information as at August 31, 2004 and for the two-months ended August 31, 2004 and August 31, 2003 is unaudited).

(i) Ken Polege Enterprised Ltd.:

(i) auditors' report of the balance sheet as at January 31, 2004 and 2003 and the statements of income, retained earnings and cash flows for each of the years in the three-year period ended January 31, 2004;

(ii) audited balance sheet as at January 31, 2004 and 2003;

(iii) unaudited balance sheet as at August 31, 2004;

(iv) audited statements of income, retained earnings and cash flows for each of the years in the three-year period ended January 31, 2004;

(v) unaudited statements of income, retained earnings and cash flows for the seven-months ended August 31, 2004 and 2003; and

(vi) notes to financial statements for the year ended January 31, 2004 (information as at and for the seven-months ended August 31, 2004 and 2003 is unaudited).

(j) Remote Wireline Services Ltd.:

(i) auditors' report of the balance sheet as at August 31, 2004, 2003 and 2002 and the statements of income and retained earnings and cash flows for each of the years in the three-year period ended August 31, 2004;

(ii) audited balance sheet as at August 31, 2004, 2003 and 2002;

(iii) audited statements of income and retained earnings and cash flows for each of the years in the three-year period ended August 31, 2004; and

(iv) notes to the financial statements for the year ended August 31, 2004.

(collectively, the "**Prospectus Financial Statements**").

11. Except for the closing of the Offering on January 25, 2005, and as otherwise disclosed in the Prospectus, there were no material facts or material events relating to the Acquired Companies that arose from August 31, 2004 (the date of the most recent Acquired Company-related financial statements included in the Prospectus), to January 25, 2005 (the closing date of the Transactions).

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the decision has been met.

The Decision of the Decision Makers pursuant to the Legislation is that the Requested Relief is granted provided that:

(a) the Trust's business acquisition report includes the Prospectus Financial Statements; and

(b) the Trust files the following financial statements by May 15, 2005: for each of Brazeau Well Servicing Ltd., C.D.T. Rentals Inc., CTC Coil Tubing Completions Ltd., CTC Nitrogen Services Ltd., CTC Production Testing Ltd., Decarson Rentals (2000) Inc., Ken Polege Enterprises Ltd. and Remote Wireline Services Ltd. unaudited comparative financial statements for the period ended January 25, 2005 and commencing from the respective company's most recently completed fiscal year end; and for Circle D Transport Inc. annual financial statements for the year ended December 31, 2004.

"Agnes Lau", CA
Deputy Director, Capital Markets
Alberta Securities Commission

2.1.5 Masonite Canada Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer deemed to have ceased to be a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 83.

Joseph Cosentino
Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, ON M5X 1B8

Dear Mr. Cosentino,

Re: Masonite Canada Corporation (the "Applicant") – Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland & Labrador (the "Jurisdictions")

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions for a decision under the securities legislation (the "Legislation") of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
- no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;
- the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"Erez Blumberger"
Assistant Manager, Corporate Finance
Ontario Securities Commission

April 28, 2005

2.1.6 Bloomberg Tradebook Canada Company - MRRS Decision

Headnote

Revocation of original decision dated September 6, 2002 and issuance of new decision to: (i) extend certain exemptive relief granted in the original decision in respect of non-Canadian debt securities offered through the Bloomberg BondTrader System to non-Canadian debt securities offered through Bloomberg ALLQ; (ii) add the Province of Manitoba as a decision maker; (iii) delete certain relief that has expired or is no longer required, and (iv) make certain other consequential amendments.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S. 5, (as amended), s. 144.

Rules Cited

National Instrument 21-101 Market Operation, s. 6.3 and National Instrument 23-101 Trading Rules, ss. 8.1, 8.3 and 8.4.

April 28, 2005

IN THE MATTER OF
NATIONAL INSTRUMENT 21-101
MARKETPLACE OPERATION (NI 21-101)
AND NATIONAL INSTRUMENT 23-101 TRADING RULES
(NI 23-101)

AND

IN THE MATTER OF
THE SECURITIES LEGISLATION OF ONTARIO,
BRITISH COLUMBIA,
ALBERTA, MANITOBA AND QUÉBEC (the Jurisdictions)

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
BLOOMBERG TRADEBOOK CANADA COMPANY
the Filer)

AND

IN THE MATTER OF
RE: BLOOMBERG TRADEBOOK CANADA COMPANY
MRRS DECISION DOCUMENT DATED SEPTEMBER 6, 2002

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision (the Decision) under the securities legislation of the Jurisdictions (the Legislation) to revoke a decision granted by the Decision Makers (other than the Province of Manitoba) on September 6, 2002 (the Original Decision) and issue a new decision to: (i) extend certain exemptive relief provided in the Original Decision in respect of non-Canadian debt securities offered through the Bloomberg BondTrader System to non-Canadian debt securities offered through Bloomberg ALLQ; (ii) add the Province of Manitoba as a Decision Maker; (iii) delete certain relief that has expired or is no longer required; and (iv) make certain other consequential amendments.

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in NI 21-101 and National Instrument 14-101 *Definitions* have the same meaning in this Decision unless they are defined in this Decision.

"Bloomberg ALLQ" means the search engine that the Filer proposes to offer to Permitted Tradebook Users which may be used to search for quotations on and obtain access to trading in fixed-income securities that appear elsewhere on the BLOOMBERG PROFESSIONAL service, including, but not limited to, quotations posted on the Bloomberg BondTrader System.

"**Bloomberg BondTrader System**" means the electronic bulletin board system offered by the Filer to Permitted Tradebook Users on which Dealers display quotations in fixed-income securities.

"**Bloomberg Tradebook System**" means the electronic trading system in equity securities offered by the Filer to Permitted Tradebook Users.

"**Customers**" means Permitted Tradebook Users that are customers of the Dealers and are enabled by the Dealers to use the Bloomberg BondTrader System or Bloomberg ALLQ, as applicable.

"**Dealers**" means brokers and investments dealers that are Permitted Tradebook Users that may post quotations on and provide trading access to Customers through the Bloomberg BondTrader System and Bloomberg ALLQ.

"**Permitted Tradebook Users**" means brokers, investment dealers and institutional investors located in the Provinces of Ontario, British Columbia, Quebec, Manitoba and Alberta

who are subscribers to the BLOOMBERG PROFESSIONAL service and who represent under contractual arrangements with the Filer that they are an "Institutional Investor", as defined in Schedule A to this Decision.

Representations

This Decision is based on the following facts represented by the Filer:

1. The Filer is a Nova Scotia unlimited liability company incorporated on February 15, 2001 and is 100% owned by Bloomberg Canada LLC, a Delaware limited liability company, formed on February 1, 2001. Bloomberg Canada LLC is 100% owned by Bloomberg L.P., a Delaware U.S. limited partnership.

2. The Filer is currently registered as an investment dealer in British Columbia, Alberta, Manitoba, Ontario and Quebec and is a member of the Investment Dealers Association of Canada.

3. The Filer offers the Bloomberg Tradebook System to Permitted Tradebook Users in Canada. Although the majority of its activity in equity securities is limited to order-routing, the Bloomberg Tradebook System has an internal order-matching facility which constitutes it as an ATS under NI 21-101.

4. The Filer also offers the Bloomberg BondTrader System in Canada and proposes to offer Bloomberg ALLQ in Canada. The Bloomberg BondTrader System and Bloomberg ALLQ have an "inquiry" function that allows Customers to transmit a general and non-binding "Bid Wanted" or "Offer Wanted" notice to Dealers that have authorized the particular Customer. This part of the Bloomberg BondTrader System and Bloomberg ALLQ constitutes an ATS under NI 21-101.

5. The Bloomberg BondTrader System and Bloomberg ALLQ will be available to Dealers and Customers.

6. The following non-Canadian debt securities are currently offered through the Bloomberg BondTrader System and Bloomberg ALLQ:

   (a) corporate debt securities, preferred securities and convertible securities;

   (b) U.S. Government and agency securities, including securities issued by agencies of the U.S. Government but not backed by the full faith and credit of the U.S. Government;

   (c) securities issued by state and local municipalities of the United States regardless of whether they are backed by the full faith and credit of the municipality;

   (d) mortgage-backed and asset-backed securities and collateralized mortgage obligations;

   (e) sovereign debt issued by governments and political subdivisions of countries other than the United States; and

   (f) corporate and governmental commercial paper, certificates of deposit, bankers' acceptances, repurchase and reverse repurchase agreements and other money market instruments.

7. The Bloomberg BondTrader System does not display quotations in Canadian fixed-income securities to Customers, because the Filer blocks Customers from accessing such quotations.

8. Bloomberg ALLQ provides quotations on and trading access to Canadian fixed-income securities, as permitted under NI 21-101. The Filer does not have the technological capability of blocking Customers from accessing quotations in Canadian fixed-income securities on Bloomberg ALLQ, because the search engine searches individual pages maintained by the Dealers.

9. Dealers are responsible for execution, clearance and settlement of trades through the Bloomberg BondTrader System and Bloomberg ALLQ using their customary procedures separate, apart and independent from the Filer and its affiliates. Dealers will be liable to their counterparties if they default on a trade.

10. The Filer and its affiliates do not receive any commission or other transaction-based compensation in connection with operation of the Bloomberg BondTrader System or Bloomberg ALLQ or any transaction effected over the Bloomberg BondTrader System or Bloomberg ALLQ. The only fees currently paid by Dealers and Customers are the general license fees for access to the BLOOMBERG PROFESSIONAL service.

11. Section 6.3 of NI 21-101 provides that an ATS can only execute trades in the debt securities included in the definitions of "corporate debt security" and "government debt security" found in section 1.1 of NI 21-101. The definition of "corporate debt security" only includes debt securities issued in Canada by companies or corporations that are not listed on a recognized exchange or quoted on a recognized quotation and trade reporting system. Similarly, while the definition of "government debt security" includes a debt security issued by the government of any foreign country or any political division thereof, it

does not include debt securities of other foreign government-like entities.

12. Section 8.1 and 8.2 of NI 21-101 impose pre-trade and post-trade transparency requirements for unlisted debt securities. These provisions require that the relevant information be provided to an information processor, as defined in NI 21-101. The Filer understands that it will not be expected to comply with any transparency requirements in respect of foreign corporate and non-corporate debt securities traded through the Bloomberg BondTrader System and Bloomberg ALLQ pursuant to the exemptive relief provided in this Decision.

13. Section 8.1 of NI 23-101 prohibits an ATS from executing a subscriber's order unless the ATS has executed and is subject to the written agreements in sections 8.3 and 8.4 of NI 23-101.

14. The Filer has requested an exemption from section 8.3 of NI 23-101 which requires an ATS to enter into an agreement with a regulation services provider. The Filer has entered into an agreement with Market Regulation Services Inc. with respect to exchange-traded securities that are routed to recognized exchanges or exchanges that are recognized for the purposes of NI 21-101 and NI 23-101.

15. The exemption from the requirement to contract with a regulation services provider for foreign exchange-traded securities means that the Filer's subscribers will not be complying with the requirements of a recognized exchange, recognized quotation and trade reporting system or a regulation services provider with respect to trades in those securities. Consequently, the exemption provided in section 2.1 of NI 23-101 is not applicable and Parts 3, 4 and 5 of NI 23-101 apply.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.

The Decision of the Decision Makers under the Legislation is that the Filer is:

(a) exempt from section 6.3 of NI 21-101 in respect of trading non-Canadian debt securities through the Bloomberg BondTrader System and Bloomberg ALLQ, provided that:

(i) the Bloomberg BondTrader System and Bloomberg ALLQ are only made available to Permitted Tradebook Users;

(b) exempt from sections 8.1 and 8.3 of NI 23-101 with respect to foreign exchange-traded securities, provided that the Filer routs the subscriber orders via the Bloomberg Tradebook System to marketplaces subject to regulatory oversight by either an IOSCO member or a self-regulatory organisation that is regulated by an IOSCO member; and

(c) exempt from section 8.4 of NI 23-101 with respect to foreign exchange-traded securities, provided that the Filer enters into an agreement with its subscribers and includes as part of that agreement an acknowledgment by subscribers that orders routed via the Bloomberg Tradebook System to foreign marketplaces will not be regulated by a regulation services provider but by the regulatory body in the jurisdiction to which the order is routed.

"Randee B. Pavalow"
Director, Capital Markets

SCHEDULE A

In this Decision Document, "Institutional Investor" means:

(a) a bank listed in Schedule I or II of the Bank Act (Canada), or an authorized foreign bank listed in Schedule III of that Act;

(b) the Business Development Bank incorporated under the Business Development Bank Act (Canada);

(c) a loan corporation, trust corporation, savings company or loan and investment society registered under the Loan and Trust Corporations Act (Ontario) or under the Trust and Loan Companies Act (Canada), or under comparable legislation in any other province of Canada;

(d) a co-operative credit society, credit union central, federation of caisses populaires, credit union or league, or regional caisse populaire, or an association under the Cooperative Credit Associations Act (Canada), in each case, located in Canada;

(e) a company licensed to do business as an insurance company in a province of Canada;

(f) a subsidiary of any company referred to in paragraph (a), (b), (c), (d) or (e), where the company owns all of the voting shares of the subsidiary;

(g) a federation within the meaning of the Act respecting Financial Services Cooperatives (Quebec);

(h) the Caisse centrale Desjardins du Québec established under the Act respecting the Movement des Caisses Desjardins (Quebec);

(i) a person or company registered under the securities legislation of the applicable province of Canada as an adviser or dealer, other than a limited market dealer;

(j) the government of Canada or of any jurisdiction, or any crown corporation, instrumentality or agency of a Canadian federal, provincial or territorial government;

(k) any Canadian municipality or any Canadian provincial or territorial capital city;

(l) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any instrumentality or agency thereof;

(m) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a provincial pension commission or similar regulatory authority;

(n) a registered charity under the Income Tax Act (Canada);

(o) a company, limited partnership, limited liability partnership, trust or estate, other than a mutual fund or non-redeemable investment fund, that had net assets of at least Cdn.$5,000,000 as reflected in its most recently prepared financial statements;

(p) a person or company, other than an individual, that is recognized by the British Columbia, Alberta, Manitoba or Ontario Securities Commission as an "exempt purchaser" or "accredited investor" or by the *Autorite des Marches Financiers du Quebec* as a "sophisticated purchaser" or, upon the coming into force of Regulation 45-106, as an "accredited investor";

(q) a mutual fund or non-redeemable investment fund that, in the applicable province of Canada, distributes its securities only to persons or companies that are accredited investors;

(r) a mutual fund or non-redeemable investment fund that, in the applicable province of Canada, distributes its securities under a prospectus for which a receipt has been granted;

(s) an account that is fully managed by a registered portfolio manager or an entity listed in paragraphs (a), (c), (d) or (e);

(t) an entity organized outside of Canada that is analogous to any of the entities referred to in paragraphs (a) through (f) and paragraph (m) in form and function; and

(u) a person or company in respect of which all of the owners of interests, direct or indirect, legal or beneficial, are persons or companies that are Institutional Investors; provided that:

(i) two or more persons who are the joint registered holders of

one or more securities of the issuer shall be counted as one beneficial owner of those securities; and

(ii) a corporation, partnership, trust or other entity shall be counted as one beneficial owner of securities of the issuer unless the entity has been created or is being used primarily for the purpose of acquiring or holding securities of the issuer, in which event each beneficial owner of an equity interest in the entity or each beneficiary of the entity, as the case may be, shall be counted as a separate beneficial owner of those securities of the issuer.

2.1.7 Torstar Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - sibling of audit committee member was tax planning partner of issuer's audit firm - sibling provides tax planning but not tax compliance services for auditor - sibling has not personally worked on issuer's audit, or provided any other services on the issuer's account at audit firm - audit committee member otherwise independent - audit committee member exempt from provision of legislation that deems audit committee member to be not independent if sibling of audit committee member has prescribed relationship with the issuer's auditor.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am.

Applicable Ontario Rules

Multilateral Instrument 52-110 Audit Committees, s. 1.4, 3.1, 8.1.

April 20, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, NOVA SCOTIA,
NEWFOUNDLAND AND LABRADOR AND NEW BRUNSWICK
(the "Jurisdictions")

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
TORSTAR CORPORATION (the "Filer")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application (the "Requested Relief") from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the provision of Multilateral Instrument 52-110 *Audit Committees* which deems a director to be not independent if a sibling of that director has a prescribed relationship with the Filer's external auditor does not apply to the Filer.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision. The term "E&Y" means Ernst & Young, LLP.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation governed by the *Business Corporations Act* (Ontario) with its head office located in Toronto, Ontario. It is a reporting issuer (or equivalent) in each Jurisdiction, and is not in default of its obligations under the Legislation. The Class B non-voting common shares of the Filer are listed on the Toronto Stock Exchange.

2. The Filer will be required to comply with the provisions of Multilateral Instrument 52-110, including the requirement that its audit committee be comprised solely of "independent directors", commencing with their annual meetings to be held in 2005.

3. E&Y is the sole auditor of the Filer.

4. A director (the Director) who is a member of the Filer's audit committee has a brother who was a tax planning partner of E&Y until June, 2004, at which time the brother retired as a partner from the firm. The brother continues to provide tax planning (but not tax compliance) services for E&Y as a self-employed contractor. At no time has the brother personally worked on the Filer's audit, or provided any other services on the Filer's account at E&Y.

5. The Director would be considered to be an "independent director" for the purposes of SEC Rule 10A-3, the independence standards of the New York Stock Exchange and under the proposed amendments to Multilateral Instrument 52-110 issued October 29, 2004.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted, provided that the Requested Relief expires on the effective date of any amendments to Multilateral Instrument 52-110.

"Erez Blumberger"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.8 MATRIX Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – closed-end investment trust exempt from prospectus and registration requirements in connection with issuance of units to existing unit holders pursuant to distribution reinvestment plan whereby distributions of income are reinvested in additional units of the trust, subject to certain conditions – first trade in additional units deemed a distribution unless made in compliance with MI 45-102.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53 and 74(1).

Multilateral Instrument Cited

Multilateral Instrument 45-102 Resale of Securities (2001), 24 OSCB 5522.

April 26, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUÉBEC, NOVA SCOTIA, NEW BRUNSWICK, PRINCE
EDWARD ISLAND, NEWFOUNDLAND AND LABRADOR AND YUKON
(the "Jurisdictions")

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF MATRIX INCOME FUND (the "Filer")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision, pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirement contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a final prospectus (the "Registration and Prospectus Requirements") shall not apply to the distribution of units of the Filer pursuant to a distribution reinvestment plan (the "Requested Relief");

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is an investment trust established under the laws of the Province of Alberta by a declaration of trust dated as of January 28, 2005. The Filer's head office is located in Ontario.

2. The Filer became a reporting issuer or the equivalent thereof in the Jurisdictions on January 28, 2005 upon obtaining a receipt for its final prospectus dated January 28, 2005 (the "**Prospectus**"). As of the date hereof, the Filer is not in default of any requirements under the Legislation.

3. The beneficial interests in the Filer are divided into a single class of voting units ("**Units**"). The Filer is authorized to issue an unlimited number of Units. Each Unit represents a holder of Units' ("**Unitholder**") proportionate undivided beneficial interest in the Filer.

4. The Units are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "MTZ.UN". As of March 21, 2005, 29,888,800 Units were issued and outstanding.

5. The Filer currently intends to make cash distributions ("**distributions**") of distributable income to Unitholders of record on the day on which the Filer declares a distribution to be payable (each a "**Declaration Date**"), and such distributions will be payable on a day which is on or before the last business day of the month following a Declaration Date.

6. The Filer has adopted a distribution reinvestment plan (the "**Plan**") which, subject to obtaining all necessary regulatory approvals, will permit distributions to be automatically reinvested, at the election of each Unitholder, to purchase additional Units ("**Plan Units**") pursuant to the Plan and in accordance with a distribution reinvestment plan agency agreement (the "**Plan Agreement**") entered into by the Filer, Middlefield MATRIX

Management Limited in its capacity as manager of the Filer (in such capacity, the "**Manager**") and MFL Management Limited in its capacity as agent under the Plan (in such capacity, the "**Plan Agent**").

7. Pursuant to the terms of the Plan, a Unitholder will be able to elect to become a participant in the Plan by notifying the Manager, or by causing the Manager to be notified, in writing, of the Unitholder's decision to participate in the Plan. Participation in the Plan will not be available to Unitholders who are not residents of Canada for the purposes of the *Income Tax Act* (Canada).

8. Distributions due to participants in the Plan ("**Plan Participants**") will be paid to the Plan Agent and applied to purchase Plan Units in accordance with the terms and conditions of the Plan.

9. The Plan also allows Plan Participants to make optional cash payments ("**Optional Cash Payments**") which will be used by the Plan Agent to purchase Plan Units in accordance with the terms and conditions of the Plan.

10. The Plan Agent will purchase Plan Units only in accordance with the mechanics described in the Plan and Plan Agreement and, accordingly, there is no opportunity for a Plan Participant or the Plan Agent to speculate on net asset value per Unit.

11. The Plan is open for participation by all Unitholders (other than non-residents of Canada), so that such Unitholders can ensure protection against potential dilution, albeit insignificant, by electing to participate in the Plan.

12. As a result of the Filer's investment objectives and based on historical data, the potential for significant changes in the net asset value per Unit over short periods of time is moderate.

13. The amount of distributions that may be reinvested in the Plan Units issued from treasury is small relative to the Unitholders' equity in the Filer. The potential for dilution arising from the issuance of Plan Units by the Filer is not significant.

14. Plan Units purchased under the Plan will be registered in the name of the Plan Agent, as agent for the Plan Participants.

15. A Plan Participant may terminate his or her participation in the Plan by providing, or by causing to be provided, at least ten business days' prior written notice to the Manager and, such notice, if actually received no later than ten business days prior to the next Declaration Date, will have effect beginning with the distribution to be made with respect to such Declaration Date. Thereafter, distributions payable to such Unitholder will be in cash.

16. The Manager reserves the right to suspend or terminate the Plan at any time in its sole discretion, in which case Plan Participants and the Plan Agent will be sent written notice thereof. In particular, the Manager may, on behalf of the Filer, terminate the Plan in its sole discretion, upon not less than 30 days' prior written notice to the Plan Participants and the Plan Agent.

17. The Manager may amend or modify the Plan at any time in its sole discretion, provided that it obtains the prior approval of the TSX (if Units are then listed thereon) and provided further that if, in the Manager's reasonable opinion: (i) the amendment or notification is material to Plan Participants, then at least 30 days' prior written notice thereof is given to Plan Participants and the Plan Agent; or (ii) the amendment or modification is not material to Plan Participants, then notice thereof may be given to Plan Participants and the Plan Agent after effecting the amendment or modification. The Manager may also, in consultation with the Plan Agent, adopt additional rules and regulations to facilitate the administration of the Plan.

18. The distribution of the Plan Units by the Filer pursuant to the Plan can be made in reliance on certain registration and prospectus exemptions contained in the Legislation of Alberta, Saskatchewan and New Brunswick but not in reliance on registration and prospectus exemptions contained in the Legislation of the other Jurisdictions because the Plan involves the reinvestment of distributable income distributed by the Filer and not the reinvestment of dividends or interest of the Filer.

19. The distribution of the Plan Units by the Filer pursuant to the Plan cannot be made in reliance on registration and prospectus exemptions contained in the Legislation for distribution reinvestment plans of mutual funds, as the Filer is not considered to be a "mutual fund" as defined in the Legislation because the Unitholders are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in a portion of the net assets of the Filer.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.

The decision of the Decision Makers under the Legislation is that:

(a) in British Columbia, Manitoba, Quebec, Ontario, Prince Edward Island, Newfoundland and Labrador, Nova Scotia and Yukon, the Requested Relief is granted provided that:

(i) at the time of the trade the Filer is a reporting issuer or the equivalent under the Legislation and is not in default of any requirements of the Legislation;

(ii) no sales charge is payable in respect of the distributions of Plan Units from treasury;

(iii) the Filer has caused to be sent to the person or company to whom the Plan Units are traded, not more than 12 months before the trade, a statement describing:

(A) their right to withdraw from the Plan and to make an election to receive cash instead of Plan Units on the making of a distribution by the Filer; and

(B) instructions on how to exercise the right referred to in (A);

(iv) in the calendar year during which the trade takes place, the aggregate number of Plan Units issued pursuant to the Optional Cash Payments shall not exceed 2% of the aggregate number of Units outstanding at the commencement of that calendar year (provided that, for the 2005 calendar year, the aggregate number of Plan Units issued pursuant to the Optional Cash Payments be limited to 2% of the outstanding Units immediately following the closing of the Filer's initial public offering, including any Units outstanding following the closing of the exercise of the over-allotment option granted to the agents under the initial public offering);

(v) the first trade (alienation) of the Plan Units acquired pursuant to the Plan in a Jurisdiction shall be deemed a distribution or primary distribution to the public under the Legislation;

(b) in each of the Jurisdictions, the Prospectus Requirement contained in the Legislation shall not apply to the first trade (alienation) of Plan Units acquired by Plan Participants pursuant to the Plan, provided that:

(i) except in Québec, the conditions of paragraphs 2 through 5 of subsection 2.6(3) of Multilateral Instrument 45-102 - Resale of Securities are satisfied; and

(ii) in Québec:

(A) at the time of the first trade, the Filer is a reporting issuer in Québec and is not in default of any of the requirements of securities legislation in Québec;

(B) no unusual effort is made to prepare the market or to create a demand for the Plan Units;

(C) no extraordinary commission or consideration is paid to a person or company other than the vendor of the Plan Units in respect of the first trade; and

(D) the vendor of the Plan Units, if in a special relationship with the Filer, has no reasonable grounds to believe that the Filer is in default of any requirement of the Legislation of Québec;

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

2.1.9 Benvest Capital Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications. - Relief from continuous disclosure requirements granted in connection with an arrangement and issuer of exchangeable shares.

Applicable Instrument

National Instrument 51-102 Continuous Disclosure Obligations.

April 21, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF
QUÉBEC AND ONTARIO
(the "Jurisdictions")

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF BENVEST CAPITAL INC.,
BENVEST NEW LOOK INCOME FUND AND
NEW LOOK ACQUISITIONCO INC.

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (collectively, the "Decision Makers") in each of the Jurisdictions has received an application from Benvest Capital Inc., Benvest New Look Income Fund and New Look AcquistionCo Inc. (collectively, the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that New Look AcquistionCo Inc. ("AcquisitionCo") (or its successor on the amalgamation with Benvest Capital Inc. ("Benvest") and various holding companies ("Holding Companies"), if any, ("New NLI") on the effective date (the "Effective Date") of the proposed plan of arrangement (the "Arrangement") under section 192 of the *Canada Business Corporations Act* (the "CBCA") involving, *inter alia*, Benvest New Look Income Fund (the "Fund"), Benvest, AcquisitionCo, New Look ExchangeCo Inc. ("ExchangeCo") and the security holders of Benvest and Holding Companies), be exempted from National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102") and from any comparable continuous disclosure requirements under the Legislation that has not yet been repealed or otherwise rendered ineffective as a consequence of the adoption of NI 51-102 (the "Comparable Continuous Disclosure Requirements") and, in Québec, an application to revise Order 2004-PDG-0020 dated March 26, 2004 (the "Québec Order") providing the same result than an exemption application (collectively, the "Requested Relief").

2. Under the Mutual Reliance Review System for Exemptive Relief Applications:

   2.1 the *Autorité des marchés financiers* is the principal regulator for this application; and

   2.2 this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

3. Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

4. The decision is based on the following facts represented by the Filer:

   4.1 Benvest is a corporation amalgamated and subsisting pursuant to the provisions of the CBCA.

   4.2 The head and registered office of Benvest is located at 1, Place Ville Marie, Suite 3438, Montreal, Québec, H3B 3N6.

   4.3 Benvest is a holding company whose assets consist primarily of all the issued and outstanding securities of Lunetterie New Look International Inc. ("NLI"), cash and accounts receivable and an equity interest in The Fitness Company.

   4.4 The authorized capital of Benvest consists of an unlimited number of common shares, Series A (the "Benvest Shares") and unlimited number of First Preferred Shares, issuable in series and an unlimited number of Second Preferred Shares, issuable in series.

   4.5 As at March 15, 2005, 9,387,199 Benvest Shares were issued and outstanding.

   4.6 The Benvest Shares are listed on the Toronto Stock Exchange (the "TSX").

   4.7 Benvest is a reporting issuer in the Provinces of Ontario and Québec and has been for more than 12 months.

   4.8 Benvest's fiscal year end is April 30.

4.9 Benvest has filed all the information that it has been required to file as a reporting issuer in each of the Provinces of Ontario and Québec and is not in default of the securities legislation in either of these jurisdictions.

4.10 The Fund is an unincorporated open-ended investment trust governed by the laws of the Province of Ontario and created pursuant to a declaration of trust dated March 15, 2005 (the "Declaration of Trust").

4.11 The Fund was established for the purpose of, among other things:

(i) investing in the common shares and notes of AcquisitionCo and acquiring, directly or indirectly, the Benvest Shares pursuant to the Arrangement;

(ii) investing in securities, including securities issued by New NLI and its affiliates, and otherwise lending funds to New NLI and its affiliates;

4.12 The head and registered office of the Fund is located at located at 1, Place Ville Marie, Suite 3438, Montreal, Québec, H3B 3N6.

4.13 The Fund was established with nominal capitalization and currently has only nominal assets and no liabilities. The only activity which will initially be carried on by the Fund will be the holding of securities of AcquisitionCo, ExchangeCo and New NLI.

4.14 The Fund is authorized to issue an unlimited number of units ("Units") and an unlimited number of special voting units ("Special Voting Units").

4.15 As of the date hereof, there is one Unit issued and outstanding, which is owned by Timothy G. Youdan, Attorney, and no Special Voting Units are outstanding.

4.16 Units are redeemable at any time on demand by the holders thereof. In certain instances, such a redemption may be paid and satisfied by way of shares or notes of New NLI.

4.17 It is anticipated that the redemption right described above will not be the primary mechanism for Unit holders to liquidate their investment. New NLI shares or notes which may be distributed to Unit holders in connection with a redemption will not be listed on any stock exchange and no market is expected to develop in such shares or notes and they may be subject to restrictions under applicable securities laws.

4.18 The Fund has received conditional approval from the TSX for the listing on the TSX of the Units to be issued in connection with the Arrangement subject to, among other things, completion of the Arrangement. The Units issuable from time to time in exchange for exchangeable shares of New NLI will also be listed on the TSX, subject to receipt of final approval from the TSX.

4.19 The Fund is not a reporting issuer (or the equivalent) in any of the Jurisdictions. Upon completion of the Arrangement, the Fund will become a reporting issuer (or the equivalent) in certain of the Jurisdictions due to the fact that its existence will continue following the exchange of securities in connection with the Arrangement.

4.20 The Fund's fiscal year end is December 31.

4.21 AcquisitionCo is a wholly-owned subsidiary of the Fund and was incorporated pursuant to the CBCA on March 14, 2005. AcquisitionCo was incorporated to participate in the Arrangement.

4.22 The head and registered office of AcquisitionCo is located at 1, Place Ville Marie, Suite 3438, Montreal, Québec, H3B 3N6.

4.23 The authorized capital of AcquisitionCo currently consists of an unlimited number of common shares and an unlimited number of preferred shares. Prior to the Arrangement, the articles of AcquisitionCo will be amended to create a class of exchangeable shares, unlimited in number (the "Exchangeable Shares").

4.24 As of the date hereof, there is one common share of AcquisitionCo and 3,129,693 preferred shares of AcquisitionCo issued and outstanding, all of which are owned by the Fund. All common and preferred shares of New NLI will be owned beneficially by the Fund, for as long as any outstanding Exchangeable Shares are owned by any

person other than the Fund or any of the Fund's subsidiaries and other affiliates.

4.25 AcquisitionCo is not a reporting issuer (or the equivalent) in any of the Jurisdictions. Upon completion of the Arrangement, New NLI will become a reporting issuer (or the equivalent) in certain of the Jurisdictions due to the fact that its existence will continue following the exchange of securities in connection with the Arrangement.

4.26 The articles of New NLI will be the same as the articles of AcquisitionCo, and New NLI's name will be "Lunetterie New Look Inc. / New Look Eyewear Inc.". The head and registered office of New NLI will be the head and registered office of AcquisitionCo.

4.27 The Arrangement will be effected by way of a plan of arrangement pursuant to section 192 of the CBCA, as described herein. The Arrangement will require: (i) approval by not less than two-thirds of the votes cast by the shareholders of Benvest ("Shareholders") (present in person or represented by proxy) at the meeting (the "Meeting") of Shareholders to be held for the purpose of approving the Arrangement; and (ii) approval of the Québec Superior Court of Québec.

4.28 Benvest's information circular dated March 22, 2005 (the "Information Circular") contains prospectus-level disclosure concerning the respective business and affairs of Benvest, the Fund and NLI and a detailed description of the Arrangement, and is being mailed to Shareholders in connection with the Meeting. The Information Circular has been prepared in conformity with the provisions of the CBCA and applicable securities laws and policies.

4.29 The assets that will make up the business of New NLI have been the subject of continuous disclosure on an ongoing basis for more than 12 months, in accordance with Benvest's responsibilities as a reporting issuer subject to continuous disclosure requirements.

4.30 The Arrangement will ultimately result in Shareholders transferring their Benvest Shares to the Fund or AcquisitionCo in consideration for Units of the Fund, or a combination of Units and Exchangeable Shares exchangeable for such Units. In essence, each holder of Benvest Shares will transfer such shares to the Fund for Units on a one-for-one basis, or, if the Shareholder is a Canadian resident taxable entity, will be able to elect to transfer (i) up to 66⅔% of its Benvest Shares to AcquisitionCo in exchange for Exchangeable Shares on a one-for-one basis and (ii) the balance of such holder's Benvest Shares to the Fund for Units (on a one-for-one basis).

4.31 New NLI will become a reporting issuer (or the equivalent) under the Legislation in each in Ontario and Québec and will be subject to the requirements of NI 51-102, the Comparable Continuous Disclosure Requirements and the Québec Order (collectively, the "Continuous Disclosure Requirements") in such Jurisdictions at the Effective Date.

4.32 The Exchangeable Shares provide a holder with a security having economic and voting rights which are equivalent to those of the Units.

4.33 Under the terms of the Exchangeable Shares and certain ancillary rights to be granted in connection with the Arrangement, holders of Exchangeable Shares will be able to exchange them at their option at any time for Units, on a one-for-one basis.

4.34 Under the terms of the Exchangeable Shares and certain ancillary rights to be granted in connection with the Arrangement, the Fund, ExchangeCo or New NLI will redeem, retract or otherwise acquire Exchangeable Shares in exchange for Units in certain circumstances.

4.35 In order to ensure that the Exchangeable Shares remain the voting and economical equivalent of the Units prior to their exchange, the Arrangement provides for:

(i) a voting and exchange trust agreement to be entered into among the Fund, AcquisitionCo and Natcan Trust Company (the "Voting and Exchange Agreement Trustee") which will, among other things, • grant to the Voting and Exchange Agreement Trustee, for the benefit of holders of Exchangeable Shares, the right to require the Fund or ExchangeCo to exchange the Exchangeable Shares for Units, and • trigger automatically the

exchange of the Exchangeable Shares for Units upon the occurrence of certain specified events;

(iii) the deposit by the Fund of Special Voting Units with the Voting and Exchange Agreement Trustee which will effectively provide the holders of Exchangeable Shares with voting rights equivalent to those attached to the Units; and

(iv) a support agreement to be entered into between the Fund, AcquisitionCo and ExchangeCo which will, among other things, restrict the Fund from issuing or distributing to the holders of all or substantially all of the outstanding Units:

(v) additional Units or securities convertible into Units;

(vi) rights, options or warrants for the purchase of Units; or

(vii) units or securities of the Fund other than Units, rights, options or warrants other than those mentioned above, evidence of indebtedness of the Fund or other assets of the Fund,

unless the same or an equivalent distribution is simultaneously made to holders of Exchangeable Shares, an equivalent change is simultaneously made to the Exchangeable Shares, or the approval of holders of Exchangeable Shares has been obtained.

4.36 The Information Circular discloses that New NLI will make an application in order to obtain the Continuous Disclosure Relief.

4.37 The Fund will concurrently send to holders of Exchangeable Shares resident in the Jurisdictions all disclosure material it sends to holders of Units pursuant to the Legislation.

Decision

5. Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.

6. The decision of the Decision Makers under the Legislation is that the Requested Relief is granted for so long as:

6.2.1 the Fund is a reporting issuer in at least one of the jurisdictions listed in Appendix B of Multilateral Instrument 45-102 *Resale of Securities* and is an electronic filer under National Instrument 13-101 *System for Electronic Data Analysis and Retrieval (SEDAR)*;

6.2.2 the Fund sends concurrently to all holders of Exchangeable Shares resident in the Jurisdictions all disclosure material furnished to holders of Units pursuant to the Continuous Disclosure Requirements;

6.2.3 the Fund files with each Decision Maker copies of all documents required to be filed by it pursuant to the Continuous Disclosure Requirements;

6.2.4 the Fund is in compliance with the requirements in the Legislation and of any market or exchange on which the Units are quoted or listed in respect of making public disclosure of material information on a timely basis, and immediately issues and files any news release that discloses a material change in its affairs;

6.2.5 New NLI issues a news release and files a material change report in accordance with Part 7 of NI 51-102 for all material changes in respect of the affairs of New NLI that are not also material changes in the affairs of the Fund;

6.2.6 the Fund includes in all mailings of proxy solicitation materials to holders of Exchangeable Shares a clear and concise statement that explains the reason the mailed material relates solely to the Fund, indicates that the Exchangeable Shares are the economic equivalent to the Units, and describes the voting rights associated with the Exchangeable Shares;

6.2.7 the Fund remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of New NLI, other than the Exchangeable Shares; and

6.2.8 New NLI has not issued any securities, other than the Exchangeable Shares, securities issued to the Fund or its affiliates, or debt securities issued to banks, loan corporations, trust corporations, treasury branches, credit

unions, insurance companies or other financial institutions.

"Jean St-Gelais"
Président-directeur général

2.1.10 Nexxlink Technologies Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer deemed to cease to be a reporting issuer in Ontario.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 83.

May 2, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC AND ONTARIO
(THE "JURISDICTIONS")

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF NEXXLINK TECHNOLOGIES INC.
(THE "FILER")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (collectively, the "**Decision Maker**") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the Filer is deemed to have ceased to be a reporting issuer (the "**Requested Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the *Autorité des marchés financiers* is the principal regulator for this application; and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer was incorporated under the *Canada Business Corporation Act*. The Filer is a reporting issuer in the provinces of Québec and Ontario.

2. As at March 16, 2005, there were 10,997,682 issued and outstanding common shares (the "**Nexxlink Shares**") of the Filer.

3. Pursuant to an application made to the Toronto Stock Exchange (the "**TSX**"), the Nexxlink Shares were delisted from trading on the TSX at the close of business on April 7, 2005.

4. The Nexxlink Shares are no longer listed on any stock exchange or traded over the counter in Canada or elsewhere.

5. Except for the fact that it has not filed its interim financial statements and its interim management's discussion and analysis for the second quarter ended January 31, 2005, the Filer is not in default of any obligations as a reporting issuer under the Legislation.

6. Pursuant to an offer to purchase all of the outstanding Nexxlink Shares made by 4257049 Canada Inc., a wholly owned subsidiary of Bell Canada, (the "**Offeror**") on December 20, 2004 as thereafter extended (the "**Offer**"), approximately 89.2% of the aggregate number of Nexxlink Shares outstanding were tendered under the Offer as at February 21, 2005.

7. As disclosed in the Offer, the Offeror caused the Filer to call a special shareholders meeting (the "**Meeting**") to complete the amalgamation of the Filer with the Offeror (the "**Amalgamation**"). The Meeting was held on April 7, 2005 and the Amalgamation was approved by the shareholders of the Filer with the result that the Filer became a wholly owned subsidiary of Bell Canada.

8. As a result of the Offer and the completion of the Amalgamation on April 7, 2005, all of the outstanding Nexxlink Shares are held by Bell Canada.

9. It is not the present intention of the Filer to seek public financing by way of an offering of securities.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted.

"Marie-Christine Barrette"
Chef du Service du financement des sociétés

2.1.11 Noble International Investment Inc. - ss. 6.1(1) of MI 31-102 National Registration Database and s. 6.1 of Rule 13-502 Fees

Headnote

Applicant seeking registration status as an international dealer exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* and the activity fee contemplated under section 4.1 of Ontario Securities Commission - Rule 13-502 *Fees* is waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 *National Registration Database* (2003) 26 O.S.C.B. 926, s. 6.1.
Ontario Securities Commission Rule 13-502 *Fees* (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

April 27, 2005.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED (the Act)

AND

IN THE MATTER OF
NOBLE INTERNATIONAL INVESTMENT, INC.

DECISION
(Subsection 6.1(1) of Multilateral Instrument 31-102
NationalRegistration Database
\and section 6.1 of Rule 13-502 *Fees*)

UPON the Director having received the application of Noble International Investment Inc. (the **Applicant**) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (**MI 31-102**) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (**Rule 13-502**) in respect of this discretionary relief;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission (the **Commission**);

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is organized under the laws of the State of Florida in the United States. The Applicant is not a reporting issuer in any province or territory in Canada. The Applicant is seeking registration under the Act as an international dealer. The head office of the Applicant is located in Boca Raton, Florida.

2. MI 31-102 requires that all registrants in Canada enrol with CDS INC. (**CDS**) and use the national registration database (**NRD**) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (**electronic funds transfer** or, the **EFT Requirement**).

3. The Applicant has encountered difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.

4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it has applied for registration.

5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the **Application Fee**).

6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

AND UPON the Director being satisfied that to do so would not be prejudicial to the public interest;

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

"David M. Gilkes"

2.1.12 Progress Energy Ltd. (AmalgamationCo) and Progress Energy Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Exchangeco with parent income trust exempt from certain requirements relating to disclosure for oil and gas activities - reporting issuer also exempt from annual and interim certification requirements - reporting issuer already exempt from continuous disclosure requirements - conditions of relief include reporting issuer continuing to be exempt from continuous disclosure requirements and trust filing certain continuous disclosure documents on exchangeco's SEDAR profile.

Applicable Ontario Rules

National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities
Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings

Citation: Progress Energy Ltd. et al, 2005 ABASC 285

April 15, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, SASKATCHEWAN, MANITOBA,
ONTARIO, NEW BRUNSWICK, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR, YUKON, NORTHWEST TERRITORIES AND NUNAVUT

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
PROGRESS ENERGY LTD. (AMALGAMATIONCO) AND PROGRESS ENERGY TRUST (THE TRUST)
(COLLECTIVELY, THE FILERS)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (the Jurisdictions) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) that:

   1.1 AmalgamationCo be exempted from Part 2 (Annual Filing Requirements) and Part 3 (Responsibilities of Reporting Issuers and Directors) of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (NI 51-101) (the NI 51-101 Relief), and

   1.2 except in British Columbia, AmalgamationCo be exempted from Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109) (the MI 52-109 Relief).

2. Under the Mutual Reliance Review System for Exemptive Relief Applications (the MRRS):

   2.1 the Alberta Securities Commission is the principal regulator for this application, and

   2.2 this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

4. The decision is based on the following facts represented by the Filers:

   4.1 The Trust was created pursuant to a plan of arrangement (the Arrangement) under Section 193 of the *Business Corporations Act* (Alberta) (the ABCA) involving the Trust, Cequel Energy Inc. (Cequel), Progress Energy Ltd. (Progress), Cyries Energy Inc. and ProEx Energy Ltd. and the securityholders of Cequel and Progress.

   4.2 Pursuant to the Decision Document issued in the matter of Progress Energy Ltd. et al dated June 30, 2004, (the Progress Decision Document), AmalgamationCo obtained an exemption from National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) in its entirety (the Continuous Disclosure Requirements) in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Yukon and Nunavut.

Progress Energy Ltd.

4.3 AmalgamationCo was amalgamated under the ABCA on June 29, 2004 in accordance with the terms of the Arrangement pursuant to the amalgamation of Progress, Cequel, Progress AcquisitionCo and Cequel AcquisitionCo.

4.4 Prior to the Arrangement, Progress had been a reporting issuer in each of the provinces of British Columbia, Alberta, Manitoba, Ontario, Quebec and Nova Scotia and the common shares of Progress (the Progress Shares) had been listed and posted for trading on the Toronto Stock Exchange (the TSX). The Progress Shares were de-listed from the TSX at the opening of trading on July 7, 2004. Prior to the Arrangement, Cequel had been a reporting issuer in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador and Cequel Shares had been listed and posted for trading on the TSX. The common shares of Cequel (the Cequel Shares) were de-listed from the TSX at the opening of trading on July 7, 2004.

4.5 The head office and registered office of AmalgamationCo are each located in Calgary, Alberta.

4.6 AmalgamationCo is engaged in the exploration, development and production of natural gas and crude oil in Western Canada.

4.7 The authorized share capital of AmalgamationCo includes an unlimited number of common shares and an unlimited number of Exchangeable Shares. As at January 31, 2005, 100 common shares of AmalgamationCo were issued and outstanding, all of which were owned by the Trust and 14,166,911 Exchangeable Shares were issued and outstanding, all of which were owned by the former shareholders of Progress and Cequel. The common shares of AmalgamationCo are not listed or quoted on a marketplace. The Exchangeable Shares are listed and posted for trading on the TSX.

4.8 AmalgamationCo became a reporting issuer in each of the provinces of Canada on June 29, 2004 when the Arrangement was completed because AmalgamationCo was the direct successor of Progress and Cequel by way of amalgamation. AmalgamationCo is subject to NI 51-101 and to MI 52-109.

4.9 AmalgamationCo has filed all of the information that it has been required to file as a reporting issuer in the applicable jurisdictions and is not in default of the Legislation in the applicable jurisdictions.

Progress Energy Trust

4.10 The Trust was established pursuant to a trust indenture dated May 26, 2004 under the laws of the Province of Alberta.

4.11 The Trust is, for the purposes of the Income Tax Act (Canada), an unincorporated, open-end mutual fund trust.

4.12 The head office of the Trust is located in Calgary, Alberta.

4.13 The authorized capital of the Trust consists of an unlimited number of trust units (Trust Units), one million 6.75% convertible unsecured subordinated debentures, each in the principal amount of $1,000 (the Convertible Debentures) and an unlimited number of special voting units. As at January 31, 2005, 67,218,402 Trust Units, $100,000,000 principal amount of Convertible Debentures and one special voting unit were issued and outstanding.

4.14 The Trust owns all of the issued and outstanding securities of ExchangeCo. In addition, the Trust owns all of the issued and outstanding securities of AmalgamationCo, other than the Exchangeable Shares of AmalgamationCo.

4.15 The Unitholders are the sole beneficiaries of the Trust. Computershare Trust Company of Canada (the Trustee) is the trustee of the Trust. AmalgamationCo is the administrator of the Trust.

4.16 The Trust Units were listed and posted for trading on the TSX at the opening on July 7, 2004.

4.17 The Trust became a reporting issuer in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador on June 29, 2004 concurrent with the completion of the Arrangement. The Trust is subject to the

Continuous Disclosure Requirements, to NI 51-101 and to MI 52-109.

The Exchangeable Shares

4.18 The Exchangeable Shares are, to the extent possible, the economic equivalent of the Trust Units.

4.19 The Exchangeable Shares have voting attributes equivalent to those of the Trust Units.

4.20 Holders of Exchangeable Shares will receive all disclosure material that the Trust is required to send to holders of Trust Units under the Legislation.

4.21 The exchange rights attaching to the Exchangeable Shares are governed by a voting and exchange trust agreement among the Trust, AmalgamationCo, ExchangeCo and the Trustee that provides the Trustee the right to require the Trust or ExchangeCo to exchange the Exchangeable Shares and which will trigger automatically the exchange of the Exchangeable Shares for Trust Units upon the occurrence of certain specified events.

4.22 The Exchangeable Shares are also subject to a support agreement among the Trust, AmalgamationCo and ExchangeCo, pursuant to which the Trust and ExchangeCo will take certain actions and make certain payments and will deliver or cause to be delivered Trust Units in satisfaction of the obligations of AmalgamationCo.

Decision

5. Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

6. The decision of the Decision Makers under the Legislation is that:

6.1 The NI 51-101 Relief is granted for so long as:

6.1.1 the Trust files with each Decision Maker copies of all documents required to be filed by it pursuant to NI 51-101;

6.1.2 AmalgamationCo is exempt from or otherwise not subject to the Continuous Disclosure Requirements;

6.1.3 if disclosure to which NI 51-101 applies is made by AmalgamationCo separately from the Trust, the disclosure includes a statement to the effect that AmalgamationCo relies on an exemption from the requirements to file information annually under NI 51-101 separately from the Trust, and indicates where disclosure under NI 51-101 filed by the Trust (or by AmalgamationCo, if applicable) can be found for viewing on SEDAR by electronic means; and

6.1.4 if the Trust files a material change report to which section 6.1 of NI 51- 101 applies, AmalgamationCo files the same material change report.

6.2 The MI 52-109 Relief is granted for so long as:

6.2.1 AmalgamationCo is not required to, and does not, file its own interim filings and annual filings (as those terms are defined under MI 52-109);

6.2.2 the Trust files in electronic format under the SEDAR profile of AmalgamationCo the:

6.2.2.1 interim filings;

6.2.2.2 annual filings;

6.2.2.3 interim certificates; and

6.2.2.4 annual certificates;

of the Trust, at the same time as such documents are required to be filed under the Legislation by the Trust; and

6.2.3 AmalgamationCo is exempt from or otherwise not subject to the Continuous Disclosure Requirements.

"Glenda A. Campbell, Q.C."
Vice-Chair
Alberta Securities Commission

"Stephen R. Murison"
Vice-Chair
Alberta Securities Commission

2.1.13 PurusCo A/S and EQT III Limited - MRRS Decision

Headnote

Cash take-over bid made in Ontario - Bid made in accordance with the laws of Denmark - *De minimis* exemption unavailable because Denmark is not a jurisdiction recognized for the purposes of clause 93(1)(e) of the Securities Act (Ontario) and because Ontario holders of offeree's shares hold approximately 3.04% of the class, which exceeds the 2% threshold - Bid exempted from the requirements of Part XX, subject to certain conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 93(1)(e), 95-100 and 104(2)(c).

Recognition Orders Cited

In the Matter of the Recognition of Certain Jurisdictions (Clauses 93(1)(e) and 93(3)(h) of Act) (1997) 20 OSCB 1035April 29, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, MANITOBA, SASKATCHEWAN, BRITISH COLUMBIA,
ONTARIO AND QUEBEC (THE "JURISDICTIONS")

AND IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND IN THE MATTER OF
PURUSCO A/S AND EQT III LIMITED
(THE "FILERS")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the formal take-over bid requirements contained in the Legislation, including the provisions relating to delivery of an offer and take-over bid circular and any notices of change or variation thereto, delivery of a directors' circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up of and payment for securities tendered to a take-over bid, disclosure, financing, restrictions upon purchases of securities, identical consideration and collateral benefits (the "Take-over Bid Requirements") do not apply to the proposed take-over bid (the "Offer") by PurusCo A/S ("PurusCo") for all of the outstanding shares ("Shares") of ISS A/S (the "Target").

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Ontario Securities Commission is selected as the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filers:

1. PurusCo is a Danish public limited company which was established for the purpose of conducting the Offer. PurusCo has not engaged in any commercial activities since it was established on March 11, 2005. PurusCo is the wholly-owned

subsidiary of EQT III Limited, a limited liability company organized under the laws of the Bailiwick of Guernsey, Channel Islands.

2. Neither of the Filers is a reporting issuer or equivalent in any of the Jurisdictions. None of the securities of the Filers are listed or quoted for trading on any Canadian or foreign stock exchange or market.

3. The Target is a Danish company with its Shares listed on the Copenhagen Stock Exchange. The Target is a provider of facility services such as cleaning, property services, canteen services and office support services.

4. The Target's head office is located in Copenhagen, Denmark.

5. The Target is not a reporting issuer or equivalent in any of the Jurisdictions. The Target's securities are not listed or quoted for trading on any Canadian stock exchange or market.

6. The Target's issued share capital consists of 47,335,000 Shares. As of December 31, 2004, 250,675 of the issued Shares were held in treasury and 47,084,325 Shares were outstanding. On December 31, 2004, the Target had approximately 18,000 shareholders recorded in its register of shareholders. There is only one class of Shares.

7. PurusCo has launched the Offer which became effective on March 29, 2005. Under the Offer, shareholders of the Target are offered DKK 470 (approximately Cdn$98.90) in cash (as adjusted in accordance with the terms of the Offer) for each Share. The Offer represents a premium of approximately 31% over the trading price of the Shares on March 23, 2005, and a premium of approximately 55% over the most recent price per Share in the Target's most recent share issue on December 9, 2004.

8. The Offer, including the Offer to residents in the Jurisdictions, is scheduled to expire on May 3, 2005.

9. Pursuant to Danish take-over bid rules, following the expiration of the Offer, a further offer (the "Mandatory Offer" and, together with the Offer, the "Offers") may be required to be extended to remaining shareholders of the Target on the same terms and conditions as the Offer.

10. The Offer has been made, and the Offer circular reflecting the terms of the Offer (the "Circular") has been prepared, in accordance with the laws of Denmark and, in particular, the Danish Securities Trading Act and the Danish Executive Order on the Obligation to Submit Offers, on Mandatory Bids and Voluntary Bids, and on Shareholders' Obligations to Disclose Information (collectively, "Danish Law"). The Circular was filed with, and approved by, the Copenhagen Stock Exchange on March 28, 2005. The Circular has also been filed with the Decision Makers.

11. Under Danish Law, the Target has no obligation to disclose the list of its registered security holders and PurusCo was consequently unable to obtain a comprehensive list of shareholders of the Target. Furthermore, the Target states in its 2004 annual report that 27% of its shareholders hold unregistered shares.

12. When the bid was launched, there was no way to determine the Canadian shareholder base of the Target. Canadian securityholders were excluded from participating in the Offer because of (i) the inability to determine the jurisdiction of residence of such securityholders, (ii) the lack of a clear exemption for extending the Offer into Canada, and (iii) the perceived additional expenses involved in conforming the Offer materials to local provincial securities law. Subsequently, PurusCo has become aware that a significant shareholder of the Target, the Franklin Templeton Group ("Templeton"), holds a portion of its Shares through funds resident in certain of the Jurisdictions. Templeton has irrevocably undertaken, subject to the terms and conditions of the Offer and certain other conditions, to accept the Offer in respect of its entire shareholding. At the time of entering into this irrevocable undertaking, PurusCo was not aware that Templeton related funds resident in any of the Jurisdictions held Shares.

13. For the reasons described above in paragraph 11, since the date of commencement of the Offer PurusCo has been unable to determine the exact shareholding of Canadian residents. PurusCo has been able to approximate the following shareholder information for Canada with respect to the Target after due inquiry of the Target (which elicited simply the response that such information would not be provided), investigation of public listing sources and consultation with Templeton:

Jurisdiction	Number of Shareholders of Target	Number of Shares Held	Percentage of Outstanding Shares
Ontario	7	1,429,112	3.04
Alberta	1	11,123	0.02
British Columbia	1	13,401	0.03
Manitoba	1	59,900	0.13
Prince Edward Island	1	7,800	0.02
Quebec	3	69,521	0.15
Saskatchewan	1	17,100	0.04
Totals	**15**	**1,607,957**	**3.43**

14. All material relating to the Offer that is accessible to holders of the Target's Shares in Denmark will be made accessible to holders of such Shares residing in the Jurisdictions, including an English convenience translation.

15. The *de minimis* exemption is not available to the Target since the bid is not being made in compliance with the laws of a jurisdiction that is recognized by the Decision Makers for the purposes of the *de minimis* exemption. Also, because PurusCo does not have access to the Target's shareholder list, PurusCo is unable to determine conclusively the number of holders of Shares resident in each of the Jurisdictions, or the number of Shares held by any such persons.

16. All of the holders of Shares to whom the Offer is extended, including shareholders resident in the Jurisdictions, will be treated equally and shareholders resident in the Jurisdictions will be entitled to participate in the Offer on the same terms and conditions as those extended to shareholders resident in Denmark.

17. On April 14, 2005, a public announcement of the Offer was made in a national Canadian newspaper. This public announcement specified how shareholders of the Target may obtain a copy of the Circular and provided summary information relating to the Offer.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Filers are exempt from the Take-over Bid Requirements in connection with the Offers made to holders of Shares in the Jurisdictions provided that:

(a) the Offers, and all amendments to the Offers, are made in compliance with Danish Law; and

(b) all material relating to the Offers sent to holders of Shares in Denmark will be concurrently sent to the holders of Shares resident in the Jurisdictions whose addresses are known to the Filers, including an English convenience translation, and copies thereof concurrently filed with the Decision Maker in each Jurisdiction.

"Robert L. Shirriff"
Commissioner
Ontario Securities Commission

"Robert W. Davis"
Commissioner
Ontario Securities Commission

2.1.14 TD Investment Management Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - U.S. licensed adviser, and individuals who act on behalf of U.S. licensed advisers who are employed by affiliates and registered under the Act to act as an adviser on behalf of the affiliate that employs them, exempted from the adviser registration requirement in respect of their acting as an adviser to U.S. residents, subject to terms and conditions.

Exemption decision revokes and restates, to reflect a corporate restructuring relating to the U.S. licensed adviser, a previous MRRS Decision dated October 28, 2004, In the Matter of TD Investment Management Inc. and TD Asset Management Inc.

Applicable Ontario Statutory Provision

Securities Act, R.S.O. 1990, c. S.5., as am., ss. 25(1)(c), 74(1), 144.

Decisions Cited

MRRS Decision dated October 28, 2004, In the Matter of TD Investment Management Inc. and TD Asset Management Inc. (2005), 28 OSCB 863.

April 29, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR, NEW BRUNSWICK,
PRINCE EDWARD ISLAND, NORTHWEST TERRITORIES,
YUKON TERRITORY AND NUNAVUT (the Jurisdictions)

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
TD INVESTMENT MANAGEMENT INC., TD ASSET MANAGEMENT INC. AND TD WATERHOUSE ASSET MANAGEMENT, INC.

MRRS DECISION DOCUMENT

Background

On October 27, 2000, the local securities regulatory authority or regulator (the **Original Decision Makers**) in each of the Jurisdictions (the **Original Jurisdictions**) other than Nunavut made a decision (the **Original Decision**), under the securities legislation (the **Legislation**) of the Original Jurisdictions, that TD Investment Management Inc. (then named "CT Investment Counsel (U.S.) Inc." and herein referred to as **TDIM**), and individuals acting on behalf of TDIM, who are also employed by TD Asset Management Inc. (**TDAM**), and appropriately registered to act as adviser on behalf of TDAM in the relevant Jurisdiction, are not subject to the following requirement (the **Applicable Requirement**) contained in the Legislation, in respect of their acting as an adviser in the Jurisdiction to persons or companies (**U.S. Residents**) that are resident in the United States of America (the **U.S.A.**):

> no person or company shall act as an adviser unless the person or company is registered as an adviser, or is registered as a partner or officer of a registered adviser and is acting on behalf of the adviser, and the registration has been made in accordance with the Legislation and the person or company has received written notice of such registration and, where the registration is subject to terms and conditions, the person or company complies with such terms and conditions.

On October 28, 2004, the Decision Makers in each of the Jurisdictions (including Nunavut) made a decision (the **Previous Variation Decision**), pursuant to the Legislation of each of the Jurisdictions, that revoked the Original Decision and restated the Original Decision so, that, in all of the Jurisdictions, TDIM, and individuals acting as advisers on behalf of TDIM who are employed by an affiliate of TDIM, including TDAM and TD Waterhouse Private Investment Counsel Inc. (**TDWPIC**), and are registered under the Legislation of the Jurisdiction to act as advisers on behalf of the affiliate of TDIM that employs them, are not subject to the Applicable Requirement in respect of their acting as an adviser in the Jurisdiction to U.S. Residents.

TDIM, TDAM and TDWAM (collectively, the **Filers**) have now made an application (the **Present Variation Application**) to the Decision Makers for a decision that revokes the Previous Variation Decision and restates, for all of the Jurisdictions, the Previous Variation Decision so that, following the TDIM Restructuring (as defined below), TD Waterhouse Asset Management, Inc. (**TDWAM**), and individuals that act as an adviser on behalf of TDWAM, who are employed by affiliates of TDWAM and registered under the Legislation of the Jurisdiction to act as an adviser on behalf of the affiliate that employs them, shall not be subject to the adviser registration requirement in respect of their acting as an adviser in the Jurisdiction to U.S. Residents.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission is the principal regulator for the Present Variation Application; and

(b) this MRRS decision document evidences the decision of each Decision Maker in respect of the Present Variation Application.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

The decision is based on the following facts represented by the Filers:

1. TDIM is a corporation incorporated under the laws of Canada. TDIM is a wholly-owned subsidiary of The Toronto-Dominion Bank (**TD Bank**), a bank named in Schedule I to the *Bank Act* (Canada).

2. TDIM conducts an investment-management business offering its services to U.S. Residents. TDIM is registered as an investment adviser under the *United States Investment Advisers Act of 194*0, as amended (the U.S. adviser legislation).

3. TDIM currently has assets under management of approximately U.S. $300 million.

4. TDIM is not registered under the Legislation of any Jurisdiction.

5. TDAM is a corporation continued under the laws of Ontario. TDAM is a wholly-owned subsidiary of TD Bank.

6. TDAM conducts an investment-management business offering passive, quantitative, enhanced and active portfolio management services to a large and diversified client base.

7. TDAM currently has assets under management of approximately $100 billion.

8. TDAM is registered under the Legislation of each Jurisdiction as an investment counsel and portfolio manager (or the equivalent). TDAM is also registered under the Legislation of Ontario and Newfoundland and Labrador as a limited market dealer.

9. TDWAM is a corporation incorporated under the Delaware General Corporate Law and is an indirect wholly-owned subsidiary of TD Bank. TDWAM will become a direct wholly-owned subsidiary of TD Bank prior to completion of the TDIM Restructuring (as defined below) and will be a subsidiary of TD Bank following the completion of the TDIM Restructuring.

10. TDWAM conducts an investment-management business offering its services to U.S. Residents.

11. TDWAM currently has assets under management of approximately U.S $8.5 billion.

12. TDWAM is registered as an investment advisor under the U.S. adviser legislation.

13. TDWAM is not registered under the Legislation of any Jurisdiction.

14. As a registered investment adviser under the U.S. adviser legislation, TDIM regularly acts as an adviser in respect of securities to U.S. Residents with the subject advice provided by individuals in offices located in one or more Jurisdictions, and, as such, is also subject to the adviser registration requirement in the Legislation of the Jurisdiction. Because TDIM does not act as adviser to any persons or companies (Canadian Residents) who are resident in any of the Jurisdiction, it has not sought to become registered as an adviser in any of the Jurisdictions.

15. Under the Previous Variation Decision, TDIM obtained exemptions from the adviser registration requirement in the Legislation of each of the Jurisdiction on the basis that:

    (a) Investment counsellors (Registered Counsellors) in a Jurisdiction, registered in the appropriate adviser category under the Legislation of the Jurisdiction to act as an adviser on behalf of affiliates of TDIM (including TDAM and TDWPIC), would act as adviser on behalf of TDIM to clients (U.S. Clients) of TDIM that were U.S. Residents, from offices of the affiliate that employs the Registered Counsellor located in the Jurisdiction.

    (b) The U.S. Clients of TDIM would include clients of TDAM and its affiliates who had left Canada and become U.S. Residents; and would also include U.S. Residents who were neither former Canadian Residents nor former clients of TDAM or any of its affiliates.

    (c) Potential U.S. Clients of TDIM would be identified from a review of the TDAM records and asked to enter into a new advisory agreement with TDIM. Written disclosure would be provided to the U.S. Client indicating that the U.S. Client was no longer under the responsibility of TDAM. The U.S. Client would also receive the Form ADV, being a form mandated under applicable U.S. securities legislation, which explained the relationship between TDIM and TDAM. Registered Counsellors who act as advisers on behalf of TDIM would have business cards and letterhead that would

identify them to the U.S. Clients as working on behalf of TDIM.

(d) U.S. Clients would be advised at the time they entered into an advisory agreement with TDIM (and periodically thereafter) that, if they returned to Canada, their accounts would have to be transferred to TDAM or any other adviser registered under the Legislation of the relevant Jurisdiction.

(e) All TDAM Registrants acting on behalf of TDIM would comply with the applicable registration and other requirements of applicable U.S. securities laws when acting as an adviser to U.S. Clients.

(f) Neither TDIM, nor any individual acting on its behalf, would act as an adviser to persons or companies resident in a Jurisdiction unless they were appropriately registered under the Legislation of the Jurisdiction.

16. The Original Decision exempted TDIM, and individuals employed by TDAM and registered in the appropriate advisor category to act as adviser on behalf of TDAM in the relevant Jurisdictions, from the adviser registration requirement in the Legislation of each of the Original Jurisdictions, subject to certain conditions.

17. As part of the overall re-branding strategy for TD Bank's wealth management businesses, TDAM transferred its Private Investment Counsel division to **TDWPI**C (the **TDAM Restructuring**). The TDAM Restructuring was the first step of a re-branding strategy intended to bring all of the wealth-management businesses of TD Bank under the TD Waterhouse banner.

18. Upon completion of the TDAM Restructuring, some of the TDAM Registrants who acted as advisers to U.S. Clients on behalf of TDIM became registered to act as advisers on behalf of TDWPIC. For this reason, TDIM and TDAM obtained the Previous Variation Decision.

19. It is now proposed that TDIM will be continued out of Canada and into Delaware as a Delaware corporation under the Delaware General Corporate Law. Following the continuance of TDIM under Delaware law, it is proposed that TDIM and TDWAM will merge, as a result of which TDIM will cease to exist as a separate corporate entity and TDWAM will be the surviving merged entity (the **TDIM Restructuring**). It is also proposed that TDWAM will, as part of the TDIM Restructuring, change its name to "TD Asset Management USA Inc.".

20. It is proposed that the U.S. Clients of TDIM will become clients of TDWAM and, effective the date (the **Transfer Date**) upon which TDWAM becomes the surviving merged entity under the TDIM Restructuring, Registered Counsellors located in the Jurisdictions may act as advisers to the U.S. Clients on behalf of TDIM, on the same basis as described in paragraph 15, but with the references to TDIM changed to TDWAM.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

It is the decision of the Decision Makers pursuant to the Legislation of each Jurisdiction that, effective the Transfer Date:

1. The Previous Variation Decision is revoked; and

2. The adviser registration requirement in the Legislation does not apply to TDWAM or to the individuals acting on its behalf, where they act as adviser in the Jurisdiction to U.S. Residents, provided that:

   (A) TDWAM is appropriately licensed or otherwise permitted under applicable legislation in the U.S.A. to act as an adviser to the U.S. Residents; and

   (B) the individual is appropriately licensed or otherwise permitted under applicable legislation in the U.S.A. to act as adviser on behalf of TDWAM to the U.S. Residents.

   (C) each of the individuals that acts as adviser on behalf of TDWAM in the Jurisdiction is also:

      (i) employed by an affiliate of TDWAM that is registered under the Legislation of the Jurisdiction, and

      (ii) registered under the Legislation to act as adviser on behalf of the affiliate of TDWAM,

in a category, and on terms, that would permit the affiliate, and the individual, to act as an adviser to the U.S. Client, in compliance with the adviser registration requirement, if the

U.S. Resident were instead a resident in the Jurisdiction and a client of the affiliate.

"Robert L. Shirriff" "Robert W. Davis"

2.1.15 Strongco Inc, Strongco Income Fund and Strongco Acquisitionco Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – reporting issuer participating in plan of arrangement to form itself into income fund – fund deemed to be reporting issuer

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 83.1(1)

May 3, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ONTARIO, NEW BRUNSWICK, NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR (the Jurisdictions)

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
STRONGCO INC. (Strongco),
STRONGCO INCOME FUND (the Fund) AND
STRONGCO ACQUISITIONCO INC. (AcquisitionCo, and together with Strongco and the Fund, the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Fund be deemed or declared a reporting issuer at the effective date (the Effective Date) of the proposed plan of arrangement (the Arrangement) under section 182 of the *Business Corporations Act* (Ontario) (the OBCA) pursuant to the terms of an arrangement agreement made as of March 23, 2005 between Strongco, the Fund and AcquisitionCo which provides for the creation of the Fund as a publicly-traded income trust, for the purposes of the Legislation of the Jurisdictions.

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. Strongco is a corporation amalgamated and subsisting pursuant to the provisions of the OBCA and has its head and registered office located at 1640 Enterprise Road, Mississauga, Ontario, L4W 4L4.

2. Strongco is a reporting issuer in all of the provinces of Canada and is not on any list of defaulting reporting issuers maintained under the Legislation in those jurisdictions.

3. The authorized capital of Strongco consists of an unlimited number of Common Shares. As at March 24, 2005, there were 9,599,855 Common Shares and options (Options) to acquire 450,800 Common Shares outstanding. The Common Shares are listed on the Toronto Stock Exchange (the TSX).

4. The Fund is an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario pursuant to a declaration of trust (the Declaration of Trust) dated March 21, 2005, and has its head and principal office located at 1640 Enterprise Road, Mississauga, Ontario, L4W 4L4.

5. An unlimited number of units (Units) of the Fund will be issuable pursuant to the Declaration of Trust. As at March 24, 2005, there were four Units outstanding and held by Strongco.

6. The Fund is not a reporting issuer in any of the jurisdictions of Canada but the Units to be issued in connection with the Arrangement have been conditionally approved for listing on the TSX subject to the listing requirements of such exchange.

7. AcquisitionCo is a corporation incorporated pursuant to the OBCA for purposes of acquiring, directly or indirectly, the Common Shares pursuant to the Arrangement and has its head and registered office located at 1640 Enterprise Road, Mississauga, Ontario, L4W 4L4.

8. The Fund owns all of the issued and outstanding common shares (AcquisitionCo Shares) of AcquisitionCo.

9. AcquisitionCo is not a reporting issuer in any of the jurisdictions of Canada. As part of the Arrangement, AcquisitionCo will amalgamate with Strongco to form "New Strongco". New Strongco will become a reporting issuer in certain Jurisdictions as it is the company whose existence will continue following the amalgamation and the exchange of securities in connection with the Arrangement where Strongco has been a reporting issuer for at least 12 months.

10. Strongco has called a meeting (the Meeting) of the holders (Shareholders) of the Common Shares to, among other things, consider and approve the Arrangement. The Meeting will be held on April 28, 2005.

11. The purpose of the Arrangement is to create the Fund as a publicly-traded income trust. Shareholders currently own Common Shares of Strongco, a corporate entity. The Arrangement will result in Shareholders transferring their Common Shares to the Fund in consideration for Units of the Fund.

12. On the Effective Date each of the events below shall, except as otherwise expressly provided, be deemed to occur sequentially without further act or formality:

    (a) the Common Shares held by Shareholders (Dissenting Shareholders) who have exercised their dissent rights which remain valid immediately before the Effective Date shall be deemed to have been transferred to Strongco and be cancelled and cease to be outstanding and such Dissenting Shareholders shall cease to have any rights as Shareholders other than the right to be paid the fair value of their Common Shares;

    (b) each issued and outstanding Common Share shall be transferred to the Fund (free of any claims) in exchange for one Unit;

    (c) the Fund shall transfer to AcquisitionCo (free of any claims) each of the Common Shares held by it in exchange for,

        (i) one Series 1 Note of AcquisitionCo (a Series 1 Note), and

        (ii) one AcquisitionCo Share,

        and an amount equal to the difference between the fair market value of a Common Share and the fair market value of one Series 1 Note, in each case determined at the time of the transfer, shall be added by AcquisitionCo to the stated capital of the AcquisitionCo

Shares for each AcquisitionCo Share so issued;

(d) each Option shall be terminated and cease to have further force and effect; and

(e) AcquisitionCo and Strongco (hereinafter referred to in this paragraph (e) as predecessor corporations) shall be amalgamated to form New Strongco with the effect that,

(i) all of the property of the predecessor corporations held immediately before the amalgamation (except any amounts receivable from any predecessor corporations or shares of any predecessor corporations) will become the property of New Strongco;

(ii) all of the liabilities of the predecessor corporations immediately before the amalgamation (except amounts payable to any predecessor corporations) will become liabilities of New Strongco;

(iii) the Fund will receive that number of common shares of New Strongco equal to the aggregate number of Units issued pursuant to paragraph (b) in exchange for all of the AcquisitionCo Shares held by it immediately before the amalgamation; and

(iv) the stated capital of the common shares of New Strongco will be fixed at an amount equal to the stated capital of the AcquisitionCo Shares immediately prior to the amalgamation.

13. Upon completion of the Arrangement, Shareholders will own all of the issued and outstanding Units of the Fund and the Fund will be the holder of all of the issued and outstanding securities of New Strongco.

14. Strongco's information circular dated March 24, 2005 delivered on behalf of Strongco to the Shareholders in connection with the Meeting contains prospectus-level disclosure concerning the respective business and affairs of Strongco, the Fund and New Strongco, including financial information pertaining to the Fund, and a detailed description of the Arrangement.

15. The Arrangement will require: (i) approval by not less than two-thirds of the votes cast by the Shareholders voting, in person or by proxy, at the Meeting; and (ii) approval of the Ontario Superior Court of Justice.

17. At the Effective Date, the Fund will be a reporting issuer under the Legislation of British Columbia, Alberta, Saskatchewan and Québec but will not be a reporting issuer under the Legislation of Ontario, Manitoba, New Brunswick, Nova Scotia and Newfoundland and Labrador.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Fund be deemed or declared a reporting issuer at the Effective Date for the purposes of the Legislation of the Jurisdictions.

"Robert L. Shirriff" "Robert W. Davis"

2.1.16 Scott Paper Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer deemed to cease to be a reporting issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 83.

May 2, 2005

Goodmans LLP
250 Yonge Street
Suite 2400
Toronto, Ontario M5B 2M6

Attention: Robert Vaux

Dear Sirs:

RE: Scott Paper Limited (the "Applicant")
Application to Cease to be a Reporting Issuer Under the Securities Legislation of the Provinces of Ontario, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions")

The Applicant has applied to the local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions for a decision under the securities legislation (the "**Legislation**") to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;

2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 - *Marketplace Operation*;

3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"Kelly Gorman"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.17 Sterling Centrecorp. Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the requirement to provide a US GAAP reconciliation note for unaudited interim financial statements of an acquired business in a business acquisition report – Relief required due to a change in Canadian GAAP that would result in a different presentation of the interim statements from the annual financial statements – Management to provide certification outlining differences between Canadian GAAP and U.S. GAAP in respect of the interim statements.

Instruments Cited

National Instrument 51-102 – Continuous Disclosure Obligations, Part 8.
National Instrument 52-107 – Acceptable Accounting Principles, Auditing Standards and Reporting Currency, ss. 6.1, 7.1.

April 25, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NOVA SCOTIA, NEW BRUNSWICK, NEWFOUNDLAND AND LABRADOR, YUKON, NUNAVUT AND THE NORTHWEST TERRITORIES (the Jurisdictions)

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
STERLING CENTRECORP INC. (the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for (i) a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirement contained in section 6.1 of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (NI 52-107) to provide a reconciliation note from United States generally acceptable accounting principles (U.S. GAAP) to Canadian generally acceptable accounting principles (Canadian GAAP) in the interim financial statements for the period ended June 30, 2004 in respect of the Property (as defined below) and which will be included in the business acquisition report to be filed regarding the Acquisition (as defined below), and (ii) in Quebec, for a revision of the general order that will provide the same result as an exemption order (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Ontario Securities Commission is the principal regulator for this Application; and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation subsisting under the *Business Corporations Act* (Ontario). Its head office is located in Markham, Ontario.

2. The Filer is a reporting issuer or the equivalent in each Jurisdiction and is not in default of any requirements of the Legislation, except for the requirement to file a business acquisition report (the BAR) under Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102).

3. On July 23, 2004, the Filer acquired (the Acquisition) an effective 50 percent ownership interest in the Mall of the Americas, a fully enclosed mall (the Property).

4. The total aggregate purchase price for the Property was US$51 million and was partially satisfied by first mortgage financing in the principal amount of US$40 million.

5. Pursuant to section 8.2 of NI 51-102, the Filer is required to file the BAR in respect of the Acquisition because the Acquisition is a "significant acquisition" for the purposes of section 8.3(2) of NI 51-102. The BAR was due on October 6, 2004.

6. Pursuant to section 8.4 of NI 51-102, the following financial statements for the Property must be filed with the BAR:

   (i) an audited income statement, statement of retained earnings and a cash flow statement for the year ended December 31, 2003 (with applicable notes);

   (ii) an audited balance sheet as at December 31, 2003 (with applicable notes);

(iii) an unaudited comparative income statement, statement of retained earnings and a cash flow statement for the six months ended June 30, 2004;

(iv) an unaudited comparative balance sheet as at June 30, 2004;

(v) a *pro forma* income statement for the year ended December 31, 2003 and the six months ended June 30, 2004; and

(vi) a *pro forma* balance sheet as at December 31, 2003 and June 30, 2004.

7. Pursuant to section 6.1 of NI 52-107, an acquisition financial statement included in a BAR may be prepared in accordance with generally accepted accounting principles (GAAP) of the United States provided that, among other things, where the GAAP of the acquisition statements differs from the GAAP used for the Filer's financial statements, the acquisition statements are reconciled to the Filer's GAAP and the notes to the acquisition statements provide disclosure with respect to the differences between the Filer's GAAP and the acquisition statement GAAP, as well as the effect of such differences.

8. Pursuant to section 7.1 of NI 52-107, *pro forma* financial statements must be prepared in accordance with the Filer's GAAP.

9. As the vendor is a pension fund, the financial statements for the Property have been prepared in accordance with U.S. GAAP using the "fair value" basis of accounting, consistent with industry practice, although generally not consistent with the principles of Canadian GAAP.

10. Pursuant to section 1100 of the Canadian Institute of Chartered Accountants Handbook, which requires prospective application for the period beginning January 1, 2004 in respect of the Filer, industry practice that is not consistent with the principles of Canadian GAAP is no longer acceptable under Canadian GAAP. Consequently, under Canadian GAAP, the interim financial statements for the period ended June 30, 2004 required in the BAR (the Interim Statements) must be prepared using the historical cost basis of accounting. Given the timing of this change, the annual financial statements for the year ended December 31, 2003 may be prepared using the "fair value" basis of accounting, consistent with industry practice.

11. The Filer has obtained the financial statements for the Property set forth above in representations 6(iii) and (iv), which have been prepared in accordance with U.S. GAAP.

12. The Filer is of the belief that there is no value to shareholders or investors in restating the Interim Statements to enable it to provide the required reconciliation note due to the fact that:

13.

(i) the Filer will be including the Property in its books effective as of the acquisition date at the purchase price, which is the current fair value and not the historical cost value;

(ii) the *pro forma* statements to be included in the business acquisition report will adjust the Filer's financial statements for the acquisition based on the purchase price (i.e. fair value), not on the historical cost value, and will also calculate depreciation on this fair value amount; and

(iii) having all of the financial statements that are included in the business acquisition report prepared using the same method of accounting (i.e. fair value) will be more useful for investors and shareholders since it will aid a reader's ability to compare the results across the various sets of financial statements.

14. In lieu of a reconciliation note, management of the Filer has agreed to provide a certification that, to the best of their knowledge, there are no differences between U.S. GAAP and Canadian GAAP in respect of the Interim Statements, other than the change in the basis of accounting from the fair value basis to the historical cost basis.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the Filer files a business acquisition report in respect of the Acquisition in accordance with Part 8 of NI 51-102, other than as otherwise exempted hereunder, together with the certification set out in representation 13 above and signed by the Chief Executive Officer and Chief Financial Officer of the Filer.

“John Hughes”
Manager, Corporate Finance

2.2 Orders

2.2.1 AXA Rosenberg Investment Management LLC - s. 218 of the Regulation

Headnote

Application to the Commission for an order, pursuant to section 218 of Regulation 1015 of the Securities Act (Ontario), that the requirement in section 213 of the Regulation, which provides that a registered dealer that is not an individual must be a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada, shall not apply to the Applicant. The order sets out the terms and conditions applicable to a non-resident limited market dealer.

Applicable Statutes

Ontario Regulation 1015, R.R.O. 1990, sec. 213, 218.

May 3, 2005

IN THE MATTER OF
THE SECURITIES ACT, R.S.O. 1990,
CHAPTER S.5, AS AMENDED (the ACT)

AND

IN THE MATTER OF
R.R.O. 1990, REGULATION 1015,
AS AMENDED (the REGULATION)

AND

IN THE MATTER OF
AXA ROSENBERG INVESTMENT MANAGEMENT LLC

ORDER
(Section 218 of the Regulation)

UPON the application (the **Application**) of AXA Rosenberg Investment Management LLC (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 218 of the Regulation, exempting the Applicant from the requirement in section 213 of the Regulation that the Applicant be incorporated, or otherwise formed or created, under the laws of Canada or a province or territory of Canada, in order for the Applicant to be registered under the Act as a dealer in the category of limited market dealer;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited liability company under the laws of the State of Delaware. The head office of the Applicant is located in Orinda, California.

2. The Applicant is currently registered in the United States as an investment adviser under the *Securities Exchange Act of 1934* and is a registrant in good standing of the U.S. Securities and Exchange Commission.

3. The Applicant is currently registered under the Act as an adviser in the category of international adviser. Pursuant to such registration, the Applicant provides investment counselling or portfolio management services to "permitted clients" within the meaning of Rule 35-502 *Non-Resident Advisers*. The Applicant also manages certain investment funds which it may from time to time offer as agent to investors in Ontario, thereby managing the assets of such investors on a pooled rather than segregated account basis. It may also offer funds or other pooled investment vehicles managed by affiliates or unrelated third parties. The Ontario investors purchasing such funds or other vehicles will generally be accredited investors within the meaning of Rule 45-501 Exempt Distributions of the Commission. By offering such funds to investors in Ontario, the Applicant may be acting as a market intermediary, such that a limited market dealer registration may be necessary.

4. The Applicant intends to apply to the Commission for registration under the Act as a dealer in the category of limited market dealer.

5. Section 213 of the Regulation provides that a registered dealer that is not an individual must be a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.

6. The Applicant is not resident in Canada and does not require a separate Canadian company in order to carry out its proposed limited market dealer activities in Ontario. It is more efficient and cost-effective to carry out those activities through the existing company.

7. Without the relief requested the Applicant would not meet the requirements of the Regulation for registration as a dealer in the category of limited market dealer as it is not a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.

AND UPON being satisfied that to make this order would not be prejudicial to the public interest;

IT IS ORDERED THAT, pursuant to section 218 of the Regulation, and in connection with the registration of the Applicant as a dealer under the Act in the category of limited market dealer, section 213 of the Regulation shall not apply to the Applicant for a period of three years, provided that:

1. The Applicant appoints an agent for service of process in Ontario.

2. The Applicant shall provide to each client resident in Ontario a statement in writing disclosing the non-resident status of the Applicant, the Applicant's jurisdiction of residence, the name and address of the agent for service of process of the Applicant in Ontario, and the nature of risks to clients that legal rights may not be enforceable.

3. The Applicant will not change its agent for service of process in Ontario without giving the Ontario Securities Commission 30 days prior notice of such change by filing a new Submission to Jurisdiction and Appointment of Agent for Service of Process.

4. The Applicant and each of its registered directors or officers irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial, and administrative tribunals of Ontario and any administrative proceedings in Ontario, in any proceedings arising out of or related to or concerning its registration under the Act or its activities in Ontario as a registrant.

5. The Applicant will not have custody of, or maintain customer accounts in relation to securities, funds, and other assets of clients resident in Ontario.

6. The Applicant will inform the Director immediately upon the Applicant becoming aware:

   (a) that it has ceased to be registered in the United States as a broker-dealer; or

   (b) of its registration in any other jurisdiction not being renewed or being suspended or revoked; or

   (c) that it is the subject of an investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority; or

   (d) that the registration of its salespersons, officers or directors who are registered in Ontario have not been renewed or have been suspended or revoked in any Canadian or foreign jurisdiction; or

   (e) that any of its salespersons, officers or directors who are registered in Ontario are the subject of an investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority in any Canadian or foreign jurisdiction.

7. The Applicant will pay the increased compliance and case assessment costs of the Commission due to the Applicant's location outside Ontario, including the cost of hiring a third party to perform a compliance review on behalf of the Commission.

8. The Applicant will make its books and records outside Ontario, including electronic records, readily accessible in Ontario, and will produce physical records for the Commission within a reasonable time if requested.

9. If the laws of the jurisdiction in which the Applicant's books and records are located prohibit production of the books and records in Ontario without the consent of the relevant client the Applicant shall, upon a request by the Commission:

   (a) so advise the Commission; and

   (b) use its best efforts to obtain the client's consent to the production of the books and records.

10. The Applicant will, upon the Commission's request, provide a representative to assist the Commission in compliance and enforcement matters.

11. The Applicant and each of its registered directors or officers will comply, at the Applicant's expense, with requests under the Commission's investigation powers and orders under the Act in relation to the Applicant's dealings with Ontario clients, including producing documents and witnesses in Ontario, submitting to audit or search and seizure process or consenting to an asset freeze, to the extent such powers would be enforceable against the Applicant if the Applicant were resident in Ontario.

12. If the laws of the Applicant's jurisdiction of residence that are otherwise applicable to the giving of evidence or production of documents prohibit the Applicant or the witnesses from giving the evidence without the consent or leave of the relevant client or any third party, including a court of competent jurisdiction, the Applicant shall:

   (a) so advise the Commission; and

   (b) use its best efforts to obtain the client's consent to the giving of the evidence.

13. The Applicant will maintain appropriate registration and regulatory organization membership, in the jurisdiction of its principal operations, and if required, in its jurisdiction of residence.

"Paul M. Moore"
Commissioner

"Harold P. Hands"
Commissioner

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 Reasons for Decision

3.1.1 Foreign Capital Corporation, Montpellier Group Inc. and Pierre Alfred Montpellier

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
FOREIGN CAPITAL CORPORATION,
MONTPELLIER GROUP INC. and PIERRE ALFRED MONTPELLIER

Hearing: February 25, 2005

Ontario Securities Commission Panel:

Paul M. Moore, Q.C.	-	Vice-Chair (Chair of the Panel)
Suresh Thakrar	-	Commissioner
Wendell S. Wigle, Q.C.	-	Commissioner

Counsel:

Alexandra Clark	-	For the Staff of the Ontario Securities Commission
Colin McCann		
James Alexis Levine (student-at-law)		
Pierre Alfred Montpellier	-	For Foreign Capital Corporation
Pierre Alfred Montpellier	-	For Montpellier Group Inc.
Pierre Alfred Montpellier	-	Self-represented

REASONS FOR DECISION

I. Proceeding

[1] This proceeding was a hearing under section 127(1) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act") to consider whether it is in the public interest for the Commission:

i) to make an order terminating the registration of Pierre Alfred Montpellier ("Montpellier") under Ontario securities law;

ii) to make an order that Foreign Capital Corporation, Montpellier Group Inc. and Montpellier cease trading in securities, permanently or for such time as the Commission may direct;

iii) to make an order that Foreign Capital Corporation, Montpellier Group Inc. and Montpellier be reprimanded;

iv) to make an order that Montpellier be required to resign all positions that he holds as a director or officer of an issuer;

v) to make an order that Montpellier be prohibited from becoming or acting as director or officer of an issuer permanently or for such time as the Commission may direct;

vi) to make an order that Foreign Capital Corporation, Montpellier Group Inc. and Montpellier pay the costs of the investigation and the costs of the hearing in this matter; and

vii) to make such other order as the Commission may deem appropriate.

[2] Montpellier Group Inc. was incorporated under the laws of Ontario on August 14, 1995 and had a registered office in Sudbury, Ontario. There is no record of Montpellier Group Inc. having been registered under the Act.

[3] Foreign Capital Corporation was incorporated under the laws of Ontario on September 28, 1995 and had a registered office in Chelmsford, Ontario. There is no record of Foreign Capital Corporation having been registered under the Act.

[4] Montpellier is an individual residing in Ontario and at all material times was the sole director and officer of Foreign Capital Corporation and Montpellier Group Inc. Montpellier was registered with Regal Capital Planners Ltd., a dealer in the categories of mutual fund dealer, limited market dealer and scholarship plan dealer, as a salesperson from June 17, 1994 to December 10, 1998.

II. Request for Adjournment

[5] Montpellier was not represented by counsel at the hearing.

[6] At the start of the hearing, Montpellier requested an adjournment in order to obtain the services of counsel.

[7] Staff did not oppose the request for an adjournment on the condition that a fixed date of return be scheduled for the hearing.

[8] Since December, 2004, Montpellier and staff had had several discussions concerning the sanctions sought and a possible resolution of the matter. On the afternoon of February 23, 2005, Montpellier informed staff for the first time that he wanted to retain counsel.

[9] Despite having notice of the hearing since January 20, 2005, at least, Montpellier communicated to staff his desire to be represented by counsel only two days before the hearing date. We were concerned that Montpellier was not diligent in trying to retain counsel and that this was a last-minute ploy to delay the proceedings.

[10] Staff referred the panel to *R. v. Smith,* 52 C.C.C. (3d) 90 (1989) (Ont. C.A.) (*Smith*) and *R. v. Norris*, [1993] O.J. No. 1232 (Ont. C.A.) (*Norris*).

[11] In *Norris*, Blair J.A., relying on *Smith*, stated:

> This court has held that representation by counsel is generally essential to a fair trial. It has also held that where an accused person desires to be defended by counsel then, unless the accused has deliberately failed to retain counsel or has discharged counsel with the intent of delaying the process of the court, the court should afford the accused a reasonable opportunity to retain counsel. See Regina v. Smith 52 C.C.C. (3d) 90 at pp. 92-93.
>
> …
>
> We recognize the inconvenience which an adjournment on September 4, 1991, would have caused to the court, to its scheduling and to the jurors and witnesses who had been summoned for the trial. Nevertheless, it is our view that a fair trial for the appellant outweighed that inconvenience. Regrettably, this case will have to be retried.

[12] After careful consideration, we distinguished the situation before us from *Norris* and *Smith*.

[13] The hearing before us was not a criminal hearing. It was not a trial of innocence or guilt. It was a hearing into whether it would be in the public interest to make orders under section 127 of the Act based on conduct that was not in dispute – conduct that had been the subject matter of criminal proceedings.

[14] We took note that staff intended only to call a witness to introduce documentary evidence and that cross-examination would not be a factor in testing the evidence. The hearing was to be about appropriate sanctions based on conduct that had been the subject matter of criminal proceedings. The conduct in question was not in dispute.

[15] Montpellier's criminal hearing took place on April 14, 2004, before Madam Justice Gauthier of the Ontario Superior Court of Justice, where Montpellier entered a plea of guilty to defrauding 128 investors in Foreign Capital Corporation of $5,347,300.00 contrary to section 380(1)(a) of the *Criminal Code of Canada*, R.S. 1985, c. C-46 (the "Code") and to having stolen that amount of money from the same 128 investors contrary to section 334(a) of the Code.

[16] Madam Justice Gauthier accepted that plea, entered convictions, and sentenced Montpellier to a further 2 years incarceration in a federal institution. Coupled with the 2.5 years of pre-trial incarceration that he already served, Montpellier was sentenced to a total of 4.5 years of incarceration.

[17] In passing her sentence, Madam Justice Gauthier made the following remarks:

I have taken into account the lavish and luxurious lifestyle this accused enjoyed as a result of his offences. He may only be able to imagine the anxiety, the pain and perhaps the real fear…for which he is responsible. Likewise, for many of the victims they too can only imagine what it might be like to wear fine clothing, to drink champagne and to otherwise have such a luxurious lifestyle that this accused person enjoyed.

I have considered the loss sustained by the victims of these offences. The victims here are numerous, they come from all walks of life. There were many elderly people. People with compromised health, people who had lost their spouse, all those people had their trust betrayed. There were people with limited or fixed incomes who turned to the accused to act in their best interests with all the money they had or all the money which the accused encouraged them to borrow.

I have considered that the breach of trust involved not only the 128 investors, but the members of this community generally. The breach of trust committed by Mr. Montpellier was that of a person who was an integral part of the business community and who was entrusted with large amounts of money, for some, their entire life's savings. The effect on the members of the community generally is a negative one.

[18] To respect the rules of natural justice and Montpellier's right to a fair hearing, we decided that the most appropriate procedure would be to proceed with the hearing as scheduled, and to allow Montpellier to enter a written submission.

[19] We directed staff to present its entire case and allowed Montpellier to make comments and ask questions of staff's witness. We advised Montpellier that we would reserve judgment until March 31, 2005 at least.

[20] We invited Montpellier to submit a written submission by March 31, 2005. If he chose to be represented by counsel, then he could retain counsel and have his counsel file a written submission before March 31, 2005. We advised that if a written submission were to be put in, we would give staff ten days to reply and would reserve judgment at least until then.

[21] Montpellier did not retain counsel, but did file a written submission on March 31, 2005. Staff submitted a reply on April 11, 2005.

III. Transcript as Proof of Criminal Conviction

[22] Staff called Colin McCann, an investigator in the enforcement branch of the Commission, as a witness to introduce into evidence various documents, including a transcript of the Superior Court of Justice in *R*. v. *Pierre Montpellier* before Madam Justice Gauthier held on April 14, 2004 (the "Transcript").

[23] Staff was entitled to rely on the Transcript (in which Montpellier entered the guilty plea) as evidence of Montpellier's admission of the facts which he admitted in the criminal proceeding. Staff was also entitled to rely on Montpellier's conviction as proof of the facts which supported the conviction. See *Woods, Re* (1995), 18 O.S.C.B. 4625 at 4626, and section 15.1 of the *Statutory Powers Procedures Act*, R.S.O. 1990, c. S.22, as amended.

[24] We have carefully considered Montpellier's submissions. They attempt to disprove facts that were established in Montpellier's guilty plea. The majority of the documents attached to Montpellier's submission were of little assistance in determining appropriate sanctions. The submissions do not successfully challenge the evidence led by staff and we find that staff has proved the facts asserted in its statement of allegations.

IV. Basis for Sanctions

[25] The Commission's jurisdiction under section 127 of the Act is to be exercised in a protective and preventative manner. As stated in *Re Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600 at 1610-1611:

> [u]nder sections 26, 123, and 124 of the Act, the role of this Commission is to protect the public interest by removing from the capital market – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of the capital markets. We are not here to punish past conduct: that is the role of the courts, particularly under section 118 of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing, we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient after all.

[26] A respondent's past criminal conduct may be an important indicator of the need for protective action. In particular, criminal conduct in securities-related matters may call for "a vigorous package of preventative sanctions". See *Re Banks* (2003), 26 O.S.C.B. 3377 (*Banks*) and *Re Kinlin* (2000), 23 O.S.C.B. 6535 (*Kinlin*).

[27] Where an individual respondent has engaged in egregious conduct, it may be appropriate to constrain their personal trading. See *Kinlin*.

[28] Where impugned conduct involves actions undertaken as a director or officer of an issuer, sanctions removing a respondent from these roles will often be appropriate. See *Banks*.

[29] The respondent in *Banks* pleaded guilty in the State of New York to having intentionally engaged in a scheme constituting a systematic ongoing course of conduct with intent to defraud, was sentenced to five years of unsupervised probation, and was ordered to pay restitution of US$400,000 to injured persons, as well as, a US$100,000 fine.

[30] The Commission stated at paragraph 126 of *Banks*:

> This was criminal conduct and it was securities-related. This conduct arose in Banks' capacity as a director and officer of an issuer. Together with his conduct in connection with the Roll Program, the criminal conduct demonstrated to us that Banks should be restricted from acting as a director or officer of any issuer, and be prevented from participating in our capital markets.

[31] And further, at paragraphs 129 and 130 of *Banks*:

> His indifference to the foreseeable consequences to others in the marketplace, together with his singular focus on the monetary benefit that LFI hoped to secure for itself, convinced us that he should be removed from our markets. We are therefore also ordering, pursuant to paragraph 2 of subsection 127(1), that Banks cease trading in securities permanently.

[32] The respondent in *Kinlin* pleaded guilty before the Ontario Court of Justice to 28 counts of fraud over $5,000 contrary to the *Code*, was sentenced to five years imprisonment, and was ordered to make restitution in the amount of $12,582,820.00 to 63 victims. The Commission referred to *Slipetz, Re* (2000), 23 O.S.C.B. 5322, as support for its statement at paragraph 4:

> We agree with Mr. Justice Porter that the Respondent's conduct was "despicable". He encouraged his clients to rely on him to invest their money in their best interest, and then, in the face of his fiduciary obligations to them, made off with their money, which he used for his own purposes. The amounts involved were substantial, and the effect on those who he led to put their trust in him, and who did so, was devastating.

[33] With respect to the respondent's ability to trade in securities and through a registered dealer for the account

of his RRSP, the Commission stated at paragraphs 7 and 8 of *Kinlin*:

> Staff has argued that the Respondent's conduct was so egregious that we should conclude that he should never be trusted to again trade in securities, and that, for the protection of investors and the marketplace, it is necessary for us to order that trading in any securities by the Respondent cease permanently. We agree that the Respondent's actions have made it clear that he should never again be trusted to participate in the markets of this province.
>
> We considered, however, permitting the Respondent to trade through a registered intermediary for the account of a registered retirement savings plan of which he was the sole beneficiary. However, Staff has referred us to the Commission's decision in *Andrus, Re* (1998), 21 OSCB 4777 (Ont. Securities Comm.) at 4784, where the Commission said, in dealing with a request to permit a respondent, whose conduct had been found to be egregious, to continue to engage in certain personal trading:
>
> > It is therefore for the panel to weigh the facts demonstrated in the case and decide how far it is appropriate to go in limiting the future activities of a respondent to protect the public interest.
> >
> > Although excessive regulation should be avoided, when a danger to the public is demonstrated through egregious conduct, as in the present case it is better to be on the side of safety. Accordingly, we order that trading in any securities by Andrus cease permanently.
>
> We agree. The Respondent's conduct in this case was certainly egregious. As we have said, it was despicable. In our view, we should, like the panel in *Andrus*, err on the side of safety, safety of investors and the marketplace.
>
> Accordingly, we order, pursuant to paragraph 127(1)2 of the *Securities Act,* that trading in any securities by the Respondent cease permanently.

[34] In *First Federal Capital (Canada) Corp., Re* (2004), 27 O.S.C.B. 1603 (*Friesner*), the respondents, Friesner and his company, solicited a trading program in investment contracts in contravention of Ontario securities law. Friesner had an extensive criminal record involving fraud stemming back to 1969.

[35] The Commission ordered in *Friesner* that the respondents cease trading in securities permanently, that Friesner resign from all positions that he held as officer or director of an issuer, and that he be prohibited from becoming or acting as an officer or director of an issuer in the future. In deciding whether to order a reprimand, the Commission stated at paragraph 79 of *Friesner*:

> We have not specifically ordered a reprimand of the respondents. In our view, the severity of the sanctions we are ordering speak for themselves and express the view of the Commission that the conduct of the respondents was reprehensible.

[36] The respondents, Warren Wall and Joan Wall (the "Walls"), in *Dual Capital Management Limited et al., Re* (2003), 26 O.S.C.B. 4932 (*Dual*), entered guilty pleas before the Ontario Court of Justice, to defrauding 56 members of the public of approximately US$1.5 million by means of an investment scheme, and were sentenced to 30 months and 22 months respectively. The respondent Dual Capital Management Limited was fined $1 million.

[37] The respondents in *Dual* entered into a settlement agreement with the Commission where they agreed that they traded in securities contrary to the requirements of Ontario securities law and made misrepresentations to investors contrary to the public interest.

[38] The respondents in *Dual* agreed: to cease trading in securities permanently with the exception that after one year from the date of the order, the Walls were permitted to trade securities through a registered dealer for the account of their RRSPs, that the Walls should resign their positions as officers or directors of any reporting issuer and be prohibited permanently from becoming or acting as an officer or director, save and except any position which they may hold as an officer or director of any private issuer incorporated by themselves to provide services solely in the construction industry, and that the Walls be reprimanded by the Commission.

[39] The facts in *DJL Capital Corp. and Dennis John Little, Re,* (2003), 26 O.S.C.B. 2494 (*DJL*), are similar to *Dual*'s. In *DJL*, the respondents agreed to terms of settlement similar to those outlined in *Dual,* with two notable distinctions: first, the respondent's RRSP carve-out was after a five-year term rather than a one-year term, and second, the Commission made no order as to the ability of the respondent to become an officer and director of a corporation that runs a specific line of business since the respondent presented no such concrete proposal for review.

V. Sanctions In This Case

[40] We accept Madam Justice Gauthier's disapproving view of Montpellier's conduct, and his negative effect on the victims and the community.

[41] While holding himself out as an investment professional who could be relied on to provide disinterested investment advice, Montpellier sought and obtained the trust of 128 investors. Then, for nearly three years, he took advantage of and cheated them by his unfair, dishonest and bad faith dealings in running an illegal "Ponzi scheme", thus rendering them victims while he self-indulged at their expense.

[42] There is no doubt that Montpellier's past criminal conduct in securities-related matters is so egregious as to warrant the Commission taking protective action and ordering a vigorous package of preventative sanctions.

[43] As discussed in *DJL*, section 2.1 of the Act states that in pursuing the purposes set out in section 1.1 of the Act, the Commission must have regard to certain fundamental principles. One of them is that the primary means for achieving the purposes of the Act include: (i) restrictions on fraudulent and unfair market practices and procedures; and (ii) requirements for the maintenance of high standards of fitness and business conduct to ensure honest and responsible conduct by market participants.

[44] As stated in *Re Belteco Holdings Inc*. (1998), 21 O.S.C.B. 7743, the Commission should consider a number of factors in assessing sanctions, including:

> (a) the seriousness of the allegations;
>
> (b) the respondents' experience and level of activity in the marketplace;
>
> (c) whether or not there has been recognition of the seriousness of the improprieties; and
>
> (d) whether or not the sanctions imposed may deter not only those involved, but also any like-minded people, from engaging in similar conduct.

[45] Montpellier's egregious conduct goes to the very essence of the duties and responsibilities of a registrant under the Act. His contravention of obligations under the Act is illustrative of a most grave type of a failure by a registrant.

[46] Montpellier's conduct and its consequences are consonant with the Commission's statement in *In the Matter of Paul John Rockel* (1966), O.S.C.B. 6 at 7:

> The Commission recognizes that the cancellation of registration is a severe economic penalty, generally a penalty to be applied in cases where the public itself has been abused or where it is clear that a man's moral standard is such that he cannot be trusted to trade in securities, which experience has shown to be a business subject to great temptation.

[47] Montpellier's debt to society has been addressed through the criminal system and through his incarceration. However, from a protective and prophylactic perspective, we cannot be satisfied that absent the orders we are making, Montpellier would not improperly act again, given the opportunity.

[48] We have serious concerns that if Montpellier is permitted to continue as an active participant in the capital markets, he will continue to display an indifference for Ontario securities law, and the policies behind it. His disregard of the foreseeable consequences of his conduct to marketplace participants and his monetary greed, convinced us that if we do not restrain Montpellier properly, confidence in our markets would be weakened.

[49] In this regard, we have considered closely Montpellier's and staff's submissions with respect to permitting Montpellier a carve-out from the cease trade order to engage in personal trading through a registered intermediary for the account of a RRSP of which Montpellier is the sole beneficiary.

[50] Participation in our markets "is a privilege and not a right". See *Erikson* v. *Ontario (Securities Commission)*, [2003] O.J. No. 593 (Ont. Div. Ct.) at para. 56.

[51] The Commission quite often grants an RRSP carve-out from a cease trade order in the case of non-criminal activity, but treats a carve-out with a jaundiced eye where securities fraud and questions of trust are the subject matter of the conduct. This is especially so when the respondent's conduct has been egregious. See *Kinlin*.

[52] While *DJL* and *Dual* are exemplary of the Commission granting a carve-out, we note that both decisions stem from a consensual resolution between the parties. As the Commission remarked in *Re Sohan Singh Kooner* (2002), 25 O.S.C.B. 2691, in considering whether or not to approve a settlement agreement, the Commission need not be satisfied that the sanctions proposed are the sanctions it would have imposed. Rather, in determining whether a proposed settlement is appropriate in the public interest, the Commission's role is to be satisfied that, in all the circumstances, the agreed sanctions are within an acceptable range of sanctions that would serve the public interest.

[53] Given Montpellier's conspicuously offensive conduct, we are not prepared to allow a carve-out.

[54] As in *Banks*, Montpellier's conduct arose in his capacity as the sole officer and director of the corporations used in his schemes. Montpellier's criminal conduct demonstrated that Montpellier should be restricted from acting as a director or officer of any issuer and be prevented from participating in our capital markets.

VI. The Order

[55] Accordingly, being of the opinion that it is in the public interest to do so, we are ordering that:

> i) pursuant to clause 1 of section 127(1) of the Act, Montpellier's registration be terminated;
>
> ii) pursuant to clause 2 of section 127(1) of the Act, trading in any securities by Foreign Capital Corporation, Montpellier Group Inc. and Montpellier cease permanently;

iii) pursuant to clause 7 of section 127(1) of the Act, Montpellier resign from all positions that he holds as director or officer of an issuer; and

iv) pursuant to clause 8 of section 127(1) of the Act, Montpellier be prohibited from becoming or acting as a director or officer of any issuer.

[56] Staff indicated that it would not be seeking costs, as, in light of the nature of this proceeding, which is driven by Montpellier's criminal conviction, there have not been the type of investigative costs that are traditionally associated with a matter in which staff deals from beginning to end. Accordingly, we make no order as to costs.

Dated at Toronto this 15th day of April, 2005.

"Paul M. Moore"

"Suresh Thakrar"

"Wendell S. Wigle"

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/Revoke
Dexx Corporation	04 May 05	16 May 05		
Mediterranean Minerals Corp.	21 Apr 05	03 May 05	03 May 05	
Saratoga Capital Corp.	04 May 05	16 May 05		
The Lodge at Kananaskis Limited Partnership	03 May 05	13 May 05		
The Mountain Inn at Ribbon	03 May 05	13 May 05		

4.2.1 Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Augen Capital Corp.	03 May 05	16 May 05			
Cimatec Environmental Engineering	04 May 05	17 May 05			
Foccini International Inc.	03 May 05	16 May 05			
Greentree Gas & Oil Ltd.	04 May 05	17 May 05			
Guyanor Ressources S.	12 Apr 05	25 Apr 05	25 Apr 05	03 May 05	
Hollinger Canadian Newspapers, Limited Partnership	21 May 04	01 Jun 04	01 Jun 04		
Hollinger Inc.	18 May 04	01 Jun 04	01 Jun 04		
Hollinger International Inc.	18 May 04	01 Jun 04	01 Jun 04		
How To Web TV Inc.	04 May 05	17 May 05			
Kinross Gold Corporation	01 Apr 05	14 Apr 05	14 Apr 05		
Lucid Entertainment Inc.	03 May 05	16 May 05			
Mamma.com Inc.	01 Apr 05	14 Apr 05	14 Apr 05		
Nortel Networks Corporation	17 May 04	31 May 04	31 May 04		
Nortel Networks Limited	17 May 04	31 May 04	31 May 04		
Sargold Resources Corporation	04 May 05	17 May 05			
Thistle Mining Inc.	05 Apr 05	18 Apr 05	18 Apr 05		
Timminco Limited	01 Apr 05	14 Apr 05	14 Apr 05	02 May 05	

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesScource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

Transaction Date	Purchaser	Security	Total Purchase Price ($)	Number of Securities
01-Jan-2004 to 31-Dec-2004	53 Purchasers	Abria Diversified Arbitrage Trust - Units	42,553,400.00	379,069.00
25-Apr-2005	MMV Financial Inc.	Abridean Inc. - Notes	1,856,250.00	1.00
25-Apr-2005	MMV Financial Inc.	Abridean (U.S.) Inc. - Option	0.00	1.00
22-Apr-2005	5 Purchasers	Africo Resources Ltd. - Common Shares	451,468.00	300,979.00
18-Apr-2005	David Skarica	Aldershot Resources Ltd. - Units	4,650.00	15,000.00
13-Apr-2005	Bank of Montreal	AmeriGas Partners, L.P. - Notes	6,194,500.00	5,000,000.00
07-Apr-2005 to 15-Apr-2005	7 Purchasers	Baltic Resources Inc. - Units	289,799.00	1,259,995.00
07-Apr-2005 to 15-Apr-2005	4 Purchasers	Baltic Resources Inc. - Units	125,000.00	625,000.00
25-Apr-2005	5 Purchasers	Bonaventure Enterprises Inc. - Units	130,000.00	650,000.00
26-Apr-2005	Arnold Polan Ron Lutka	Bralorne Gold Mines Ltd, - Non-Flow-Though Shares	60,000.00	23,076.00
19-Apr-2005	Credit Risk Advisors LP and Bank of Montreal	Brown Shoe Company, Inc. - Notes	8,066,500.00	6,500.00
18-Apr-2005	MMV Financial Inc.	BTI Photonics Systems Inc. - Promissory note	623,450.00	623,450.00
21-Apr-2005	10 Purchasers	C & C Energy Canada Ltd. - Common Shares	2,250,000.00	2,250,000.00
15-Apr-2005	CE Manuell Herminston Jamie Hermiston	Canadian Royalties Inc. - Units	144,000.00	80,000.00
14-Apr-2005	68 Purchasers	Candax Energy Inc. - Units	13,173,000.00	17,141,250.00
12-Apr-2005	18 Purchasers	Canex Energy Inc. - Common Shares	5,675,670.00	2,102,100.00
30-May-2004 to 30-Nov-2004	5 Purchasers	Canso Corporate Bond Fund - Units	88,038.00	17,607.00

30-Jan-2004 to 20-Dec-2004	7 Purchasers	Canso Corporate Securities Fund - Units	142,284.00	23,518.00
01-Jan-2004 to 30-Nov-2004	7 Purchasers	Canso Fund - Units	129,877.00	20,167.00
30-Sep-2004	Michael Wood	Canso High Yield Fund - Units	9,517.00	1,599.00
30-Sep-2004	GRIP Investments Limited	Canso Income Fund - Units	55,399.00	11,079.00
31-Mar-2004 to 30-Nov-2004	4 Purchasers	Canso Inflation Linked Fund - Units	136,652.00	25,305.00
01-Jan-2004 to 20-Dec-2004	6 Purchasers	Canso North Star Fund - Units	113,093.00	18,848.00
30-Sep-2004	Heather Mason-Wood Spousal	Canso Preservation Fund - Units	5,925.00	919.00
30-Jun-2004	4 Purchasers	Canso Retirement and Savings Fund - Units	89,000.00	17,416.00
21-Apr-2005	3 Purchasers	Compagnie Generale de Geophysique - Notes	3,098,250.00	2,500,000.00
31-Mar-2005	13 Purchasers	Coolham Holdings, Inc. - Units	3,050,000.00	3,050,000.00
21-Apr-2005	Strategic Advisors Corp.	Corridor Resources Inc. - Common Share Purchase Warrant	1,267.50	8,450.00
21-Apr-2005	Strategic Advisors Corp.	Corridor Resources Inc. - Common Shares	34,645.00	16,900.00
18-Apr-2005	24 Purchasers	Cream Minerals Ltd. - Common Share Purchase Warrant	201,250.00	1,150,000.00
17-Feb-2005	J.L. Albright III Venture Fund	Cube Route Inc. - Units	1,251,250.00	1,251,250.00
27-Apr-2005	Governing Council of the University of Toronto	Darby-BBV Latin American Private Equity Fund, L.P. - LP Interest	4,985,600.00	1.00
05-Apr-2005	33 Purchasers	Duvernay Oil Corp. - Common Shares	29,651,375.00	835,250.00
19-Apr-2005	22 Purchasers	Energy Metals Corporation - Units	7,283,250.00	2,555,527.00
21-Apr-2005	Strategic Advisors Corp.	Etruscan Resources Inc. - Common Share Purchase Warrant	2.15	2,150.00
25-Apr-2005	Jatinder Bains	Eurocontrol Technics Inc. - Units	46,875.00	625,000.00
14-Jul-2005	Lillian Campbell and CIBC World Markets Inc.	Exeter Resources Corporation - Units	165,000.00	137,500.00
26-Aug-2004	Terry O'Hara Delta O'Hara	Fisgard Capital Corporation - Common Shares	60,000.00	60,000.00

18-Apr-2005	Bayshore Floating Rate Senior Loan Fund	Floating Rate Senior Loan Fund Limited - Shares	76,670,000.00	8,200,000.00
24-Mar-2005	2035718 Ontario Inc.	Frontier Pacific Mining Corporation - Units	49,500.00	225,000.00
31-Mar-2005	Pro-Hedge Multi Manger Elite Fund Echelon General Insurance Co.	Gladiator Limited Partnership - Units	740,602.74	740,603.00
11-Apr-2005	34 Purchasers	Hedman Resources Limited - Units	576,414.79	8,234,497.00
08-Apr-2005	20 Purchasers	Hemosol Inc. - Special Warrants	5,508,899.00	8,222,237.00
15-Apr-2005	7 Purchasers	Highview Resources Ltd. - Common Shares	3,176,420.00	11,344,359.00
15-Apr-2005	3 Purchasers	Highview Resources Ltd. - Flow-Through Shares	631,000.00	1,912,121.00
11-Apr-2005	18 Purchasers	HTC Hydrogen Technologies Corp. - Units	1,949,000.00	486,250.00
14-Apr-2005 to 20-Apr-2005	13 Purchasers	IMAGIN Diagnostic Centres, Inc. - Common Share Purchase Warrant	165,000.00	165,000.00
01-Jan-2004 to 31-Dec-2004	525 Purchasers	Integra Diversified Fund - Units	136,304,200.80	4,938,558.00
01-Jan-2004 to 31-Dec-2004	216 Purchasers	Integra Growth Allocation Fund - Units	329,888.56	224,364.00
01-Jan-2004 to 31-Dec-2004	234 Purchasers	Integra Strategic Allocation Fund - Units	7,568,046.00	560,596.00
20-Apr-2005	Peter Matson	Intelivote Systems Incorporated - Common Shares	20,000.00	22,223.00
12-Apr-2005	3 Purchasers	International KRL Resources Corp. - Units	720,000.00	3,600,000.00
15-Apr-2005	30 Purchasers	Ivanhoe Energy Inc. - Common Shares	43,856,669.00	14,379,236.00
15-Apr-2005	6 Purchasers	Ivanhoe Energy Inc. - Special Warrants	6,200,000.00	2,000,000.00
12-Apr-2005	JJJJ & J Holdings	KBSH Enhanced Income Fund - Units	146,667.96	13,280.00
12-Apr-2005	JJJ & J Holdings	KBSH Private - Canadian Equity Fund - Unit s	83,810.26	5,002.00
12-Apr-2005	JJJJ & J Holdings	KBSH Private - Special Equity Fund - Units	188,573.08	9,412.00

21-Apr-2005	12 Purchasers	Kimco North Trust III - Notes	130,000,000.00	130,000,000.00
14-Apr-2005	7 Purchasers	Knighthawk Inc. - Units	450,000.00	900,000.00
21-Apr-2005	Strategic Advisors Corp.	Kodiak Oil & Gas Corp. - Common Share Purchase Warrant	12.15	12,150.00
21-Apr-2005	Strategic Advisors Corp.	Kodiak Oil & Gas Corp. - Common Shares	24,882.00	28,600.00
25-Apr-2005	Carlo Tosti	Lab9 Solutions Inc. - Common Shares	20,000.00	20,000.00
31-Mar-2005	Black Hawk Mining Inc.	Lake Shore Gold Corp. - Common Shares	77,000.00	100,000.00
16-Mar-2005	6 Purchasers	Lake Shore Gold Corp. - Flow-Through Shares	4,377,125.00	4,607,500.00
16-Mar-2005	13 Purchasers	Lake Shore Gold Corp. - Non-Flow-Though Shares	2,520,000.00	3,150,000.00
21-Apr-2005	Strategic Advisors Corp.	Leader Energy Services Ltd. - Common Share Purchase Warrant	300.00	3,000.00
21-Apr-2005	Strategic Advisors Corp.	Leader Energy Services Ltd. - Common Shares	10,800.00	6,000.00
05-Apr-2005	9 Purchasers	Lease-Rite Corporation Inc. - Convertible Debentures	50,000.00	50,000.00
14-Jan-2004 to 21-Oct-2004	48 Purchasers	LifePoints Long-Term Growth Portfolio - Units	13,582,068.00	127,531.00
22-Dec-2004	Axis Investment Fund Inc.	Liquid Computing Corporation - Convertible Debentures	250,000.00	250,000.00
17-Aug-2004	Business Development Bank of Canada	Liquid Computing Corporation - Convertible Debentures	500,000.00	499,970.00
14-Apr-2005	Pardy Enterprise Inc.	Magenta II Mortgage Investment Corporation - Shares	92,000.00	92,000.00
14-Apr-2005 to 25-Apr-2005	Robert W. Margeson & Elizabeth Margeson Terry O'Hara and/or Delta O'Hara	Magenta Mortgage Investment Corporation - Shares	400,000.00	40,000.00
21-Apr-2005	Strategic Advisors Corp.	Magnifoam Technology International Inc. - Common Shares	18,400.00	8,000.00
01-Jan-2004 to 31-Dec-2004	77 Purchasers	Manitou Investment Management Ltd. - Units	8,386,664.71	65,280.00
14-Apr-2005	24 Purchasers	Markinch Capital Corp. - Units	78,000.00	390,000.00
01-Apr-2005	Hayley Matus	MCAN Performance Strategies - Limited Partnership Units	65,000.00	560.00

01-Apr-2005	4 Purchasers	MCAN Performance Strategies - Limited Partnership Units	1,413,176.00	12,774.00
20-Apr-2005	11 Purchasers	Microbonds Inc. - Common Shares	2,600,000.00	1,368,421.00
15-Apr-2005	3 Purchasers	Nakina Systems Inc. - Preferred Shares	5,514,986.00	11,929,667.00
09-Feb-2005 to 20-Apr-2005	32 Purchasers	New Hudson Television Corp. - Shares	146,700.00	48,900.00
15-Apr-2005	13 Purchasers	Niblack Mining Corp. - Shares	0.00	7,684,990.00
21-Apr-2005	CMP 2005 Resource LP and Canada Dominion Resource 2005 LP	North American Palladium Ltd. - Flow-Through Shares	2,502,750.00	213,000.00
18-Apr-2005	3 Purchasers	North Grenville Community Centre - Bonds	2,550,000.00	3.00
14-Apr-2005	6 Purchasers	Northern Star Mining Corp. - Shares	4,500,150.00	10,000,334.00
14-Apr-2005	9 Purchasers	Northern Star Mining Corp. - Units	1,574,600.00	3,936,500.00
31-Mar-2005	12 Purchasers	Northwood (2003) Mortgage Investment Corporation - Units	266,615.00	266,615.00
22-Apr-2005	14 Purchasers	Nuinsco Resources Limited - Flow-Through Shares	300,066.00	1,154,100.00
22-Apr-2005	Gordon Glenn The K2 Principal Fund LP	Nuinsco Resources Limited - Units	59,950.00	272,500.00
15-Apr-2005	Gail Keeler Nick Keeler	O'Donnell Emerging Companies Fund - Units	1,000.00	137.00
28-Apr-2005	Fund-Tel Publishing Inc.	Paradym Ventures Inc. - Units	5,250.00	35,000.00
27-Apr-2005	Mary Janes Stephens	Payroll Loans Capital Corp - Bonds	10,000.00	10.00
22-Apr-2005	Nursing Homes and Related Industries Pension Plan	Real Assets US Social Equity Index Fund - Units	3,104.00	454.00
13-Apr-2005	11 Purchasers	Real Estate Asset Liquidity Trust - Certificate	26,642,720.65	12,697,269.00
12-Apr-2005	David Quayle	Red Barn Total Return LP - Units	100,000.00	5,000.00
19-Apr-2005	3 Purchasers	Red Mike Energy Inc. - Common Shares	1,235,000.00	247,000.00
10-Dec-2004 to 23-Mar-2005	22 Purchasers	Roxy Resources Ltd. - Special Warrants	383,662.00	1,918,312.00

31-Mar-2005 to 29-Apr-2005	4 Purchasers	Royal Standard Minerals Inc. - Units	1,567,475.00	4,478,500.00
20-Jan-2004 to 31-Dec-2004	93 Purchasers	Russell Canadian Equity Fund - Units	17,330,388.00	90,498.00
08-Jan-2004 to 31-Dec-2004	126 Purchasers	Russell Canadian Fixed Income Fund - Units	31,331,996.00	262,192.00
29-Jan-2004 to 29-Dec-2004	97 Purchasers	Russell Overseas Equity Fund - Units	41,230,173.00	422,873.00
28-Jan-2004 to 31-Dec-2004	157 Purchasers	Russell US Equity Fund - Units	18,970,885.00	195,576.00
03-Jan-2005 to 28-Jan-2005	3096 Purchasers	Second World Trader Inc. - Units	7,842,175.00	27,041.00
01-Feb-2005 to 10-Feb-2005	493 Purchasers	Second World Trader Inc. - Units	1,119,496.00	3,860.00
30-Dec-2004	18 Purchasers	StageVentures II LP - Limited Partnership Units	1,952,750.00	1,825.00
21-Apr-2005	Strategic Advisors Corp.	Sterling Resources Ltd. - Common Shares	44,180.00	23,500.00
06-Apr-2005	Philip S. Orsino	Stile Holding Corp. - Common Shares	9,157,500.00	1,500,000.00
18-Apr-2005 to 28-Apr-2005	14 Purchasers	Superior Canadian Resources Inc. - Units	433,000.00	4,047,240.00
20-Apr-2005	31 Purchasers	Tangarine Concepts Corporation - Units	770,776.00	770,776.00
07-Apr-2005	3 Purchasers	Tribute Resources Inc. - Flow-Through Shares	400,000.00	2,000,000.00
14-Apr-2005	10 Purchasers	True North Gems Inc. - Units	118,000.00	295,000.00
15-Apr-2005	Canada Dominion Resources 2005 LP	Tyhee Development Corp. - Flow-Through Shares	349,999.76	921,052.00
08-Apr-2005	9 Purchasers	UGL ENTERPRISES LTD. - Units	2,129,166.60	3,871,212.00
14-Apr-2005	Marco Marrone Acker Finley Asset Management Inc.	Uravan Minerals Inc. - Units	146,250.00	225,000.00
31-Mar-2005	7 Purchasers	Vertex Balanced Fund - Trust Units	306,615.00	20,557.00
31-Mar-2005	24 Purchasers	Vertex Fund - Trust Units	858,710.84	87,669.00

20-Apr-2005	7 Purchasers	Victoria Resource Corporation - Units	755,260.00	1,373,200.00
18-Apr-2005	4 Purchasers	Vigil Health Solutions Inc. - Common Shares	150,000.00	1,500,000.00
28-Apr-2005	Thomas Dusmet DeSmours	Walsingham Fund LP No. 1 - Units	25,000.00	25.00
22-Apr-2005	3 Purchasers	Western Geopower Corp. - Flow-Through Shares	6,042,500.00	6,042,500.00
13-Apr-2005	3 Purchasers	YGC Resources Ltd. - Units	2,500,000.00	3,125,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Acuity Canadian Small Cap Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated April 29, 2005
Mutual Reliance Review System Receipt dated May 3, 2005
Offering Price and Description:
Class A and F Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Acuity Fund Ltd.
Project #775093

Issuer Name:
Adjustable Rate MBS Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated April 27, 2005
Mutual Reliance Review System Receipt dated April 29, 2005
Offering Price and Description:
$ * - * Units Price: $25.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Wellington West Capital Inc.
Berkshire Securities Inc.
McFarlane Gordon Inc.
Promoter(s):
Claymore Investments, Inc.
Project #771885

Issuer Name:
AGF U.S. Risk Managed Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated April 26, 2005
Mutual Reliance Review System Receipt dated April 27, 2005
Offering Price and Description:
Mutual Fund Series, Series D, Series F and Series O Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #769824

Issuer Name:
Aliant Telecom Inc.
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Short Form Shelf Prospectus dated April 29, 2005
Mutual Reliance Review System Receipt dated May 2, 2005
Offering Price and Description:
$350,000,000.00 - Medium Term Notes
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Promoter(s):
-
Project #773605

Issuer Name:
Canadian Oil Sands Limited
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Shelf Prospectus dated April 27, 2005
Mutual Reliance Review System Receipt dated April 28, 2005
Offering Price and Description:
Cdn. $1,000,000,000.00 - Medium Term Notes (Unsecured)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #770896

Issuer Name:
Cargojet Income Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated April 29, 2005
Mutual Reliance Review System Receipt dated May 3, 2005
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Genuity Capital Markets
Promoter(s):
Ajay Virmani
Project #769679

Issuer Name:
Cita NeuroPharmaceuticals Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated April 29, 2005
Mutual Reliance Review System Receipt dated April 29, 2005
Offering Price and Description:
$ * - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
First Associates Investments Inc.
Promoter(s):
-
Project #772545

Issuer Name:
Counsel Select Small Cap
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated April 25, 2005
Mutual Reliance Review System Receipt dated April 27, 2005
Offering Price and Description:
Series A Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #769651

Issuer Name:
Endurance Gold Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated April 25, 2005
Mutual Reliance Review System Receipt dated April 27, 2005
Offering Price and Description:
$2,000,000.00 - 4,800,000 Flow-Through Shares and 3,200,000 Non Flow-Through Units Price: $ 0.25 per Flow-Through Share and $ 0.25 per Non Flow-Through Unit
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Cunniah Lake Inc.
Duncan McIvor
Project #770135

Issuer Name:
E.D. Smith Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 2, 2005
Mutual Reliance Review System Receipt dated May 3, 2005
Offering Price and Description:
$ * - * Units Price: $ 10.00 per Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Promoter(s):
EDS Holdings Inc.
Project #776409

Issuer Name:
Hanfeng Evergreen Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 27, 2005
Mutual Reliance Review System Receipt dated April 27, 2005
Offering Price and Description:
$ * - * Common Shares Price: $ * Common Share
Underwriter(s) or Distributor(s):
CIBC World Makets Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #770292

Issuer Name:
Ketch Resources Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 2, 2005
Mutual Reliance Review System Receipt dated May 2, 2005
Offering Price and Description:
$130,200,000.00 -10,500,000 Subscription Receipts, each representing the right to receive one trust unit and $70,000,000.00 -6.50% Convertible Extendible Unsecured Subordinated Debentures SUBSCRIPTION RECEIPTS
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
National Bank Financial Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
GMP Securities Ltd.
Tristone Capital Inc.
First Associates Investments Inc.
Promoter(s):
-
Project #775657

Issuer Name:
Roxy Resources Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated April 28, 2005
Mutual Reliance Review System Receipt dated April 28, 2005
Offering Price and Description:
$ * - * Units Price: $ * per Unit $119,413 - 582,502 Special Warrants Price: $ 0.205 per Special Warrant
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Daniel Earle
Project #771329

Issuer Name:
Sutyr Corp.
Type and Date:
Preliminary Prospectus dated April 29, 2005
Receipted on April 29, 2005
Offering Price and Description:
$1,840,000.00 to $2,300,000.00 - 20,000,000 to 23,000,000 Common Shares Price: $ 0.10 per Common Share
Underwriter(s) or Distributor(s):
Dominick & Dominick Securities Inc.
Promoter(s):
-
Project #772604

Issuer Name:
Acuity Clean Environment Science and Technology Fund
Acuity G7 RSP Equity Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated April 22, 2005 to Final Simplified Prospectuses and Annual Information Forms dated October 22, 2004
Mutual Reliance Review System Receipt dated April 27, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Clean Environment Mutual Funds Ltd.
Promoter(s):
Acuity Funds Ltd.
Project #690063

Issuer Name:
Augen Limited Partnership 2005
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated April 22, 2005
Mutual Reliance Review System Receipt dated April 28, 2005
Offering Price and Description:
Maximum total offering of 150,000 Limited Partnership Units at $100 per unit + $15,000,000.00
Minimum total offering of 25,000 Limited Partnership Units at $100 per unit + $2,500,000.00
Underwriter(s) or Distributor(s):
IPC Securities Corporation
Berkshire Securities Inc.
Wellington West Capital Inc.
Foster & Associates Financial Services Inc.
Promoter(s):
Augen General Partner XI Inc.
Project #753154

Issuer Name:
Counsel Focus Value
Counsel World Equity
Counsel Focus
Counsel Select Value
Counsel Select Canada
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated April 18, 2005 to Final Simplified Prospectuses and Annual Information Forms dated May 26, 2004
Mutual Reliance Review System Receipt dated April 28, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Counsel Group of Funds Inc.
Project #634242

Issuer Name:
ExAlta Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated April 26, 2005
Mutual Reliance Review System Receipt dated April 27, 2005
Offering Price and Description:
$26,950,000.00 - 7,000,000 Common Shares Price: $3.85 per Common Share
Underwriter(s) or Distributor(s):
First Energy Capital Corp.
Peters & Co. Limited
CIBC World Markets Inc.
Promoter(s):
-
Project #753325

Issuer Name:
Fidelity Canadian Disciplined Equity Class of Fidelity Capital Structure Corp.
Fidelity Canadian Growth Company Class of Fidelity Capital Structure Corp.
Fidelity Canadian Opportunities Class of Fidelity Capital Structure Corp.
Fidelity True North Class of Fidelity Capital Structure Corp.
Fidelity American Disciplined Equity Class of Fidelity Capital Structure Corp.
Fidelity American Opportunities Class of Fidelity Capital Structure Corp.
Fidelity Growth America Class of Fidelity Capital Structure Corp.
Fidelity Small Cap America Class of Fidelity Capital Structure Corp.
Fidelity Europe Class of Fidelity Capital Structure Corp.
Fidelity Far East Class of Fidelity Capital Structure Corp.
Fidelity Global Disciplined Equity Class of Fidelity Capital Structure Corp.
Fidelity International Portfolio Class of Fidelity Capital Structure Corp.
Fidelity Japan Class of Fidelity Capital Structure Corp.
Fidelity NorthStar Class of Fidelity Capital Structure Corp.
Fidelity Focus Consumer Industries Class of Fidelity Capital Structure Corp.
Fidelity Focus Financial Services Class of Fidelity Capital Structure Corp.
Fidelity Focus Health Care Class of Fidelity Capital Structure Corp.
Fidelity Focus Natural Resources Class of Fidelity Capital Structure Corp.
Fidelity Focus Technology Class of Fidelity Capital Structure Corp.
Fidelity Focus Telecommunications Class of Fidelity Capital Structure Corp.
Fidelity Canadian Balanced Class of Fidelity Capital Structure Corp.
Fidelity Canadian Short Term Income Class of Fidelity Capital Structure Corp.
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 27, 2005
Mutual Reliance Review System Receipt dated May 3, 2005
Offering Price and Description:
Series A, Series B and Series F shares
Underwriter(s) or Distributor(s):
Fidelity Investments Canada Limited
Promoter(s):
Fidelity Capital Structure Corp.
Project #748057

Issuer Name:
Front Street Long/Short Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated April 28, 2005
Mutual Reliance Review System Receipt dated April 29, 2005
Offering Price and Description:
Minimum: 7,500,000 Units @ $10 per Unit = $75,000,000.00; Maximum: 20,000,000 Units $ 10 per Unit = $200,000,000.00
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
First Associates Investments Inc.
Haywood Securities Inc.
Tuscarora Capital Inc.
Richardson Partners Financial Limited
Wellington West Capital Inc.
Promoter(s):
Front Street Capital 2004
Project #757600

Issuer Name:
Frontiers U.S. Equity Pool
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated April 21, 2005 to Final Simplified Prospectus and Annual Information Form dated January 12, 2005
Mutual Reliance Review System Receipt dated April 28, 2005
Offering Price and Description:
Class A and Class F Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
CIBC Asset Management Inc.,
Project #719096

Issuer Name:
HSBC Bank Canada
HSBC Canada Asset Trust
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated April 26, 2005
Mutual Reliance Review System Receipt dated April 27, 2005
Offering Price and Description:
$200,000,000.00 - 200,000 HSBC Canada Asset Trust Securities Ì Series 2015 (HSBC HaTS Ì Series 2015)
Underwriter(s) or Distributor(s):
HSBC Securities (Canada) Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
CIBC Word Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #755820 & 755797

Issuer Name:
Immuno Research Inc.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated April 27, 2005
Mutual Reliance Review System Receipt dated April 28, 2005
Offering Price and Description:
Minimum: 4,000,000 Units ($2,000,000.00) at $0.50 per Unit; Maximum: 8,000,000 Units ($4,000,000.00) at $0.50 per Unit PRICE: $0.50 per Unit
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Promoter(s):
John Mason
Steven Pettigrew
Jimmy Chang
Ray Cheung
Project #746591

Issuer Name:
Elliott & Page Money Fund
Elliott & Page Canadian Universe Bond Fund
Elliott & Page Corporate Bond Fund
Elliott & Page Dividend Fund
Elliott & Page Monthly High Income Fund
Elliott & Page Growth & Income Fund
Elliott & Page Value Equity Fund
Elliott & Page Canadian Equity Fund
Elliott & Page Generation Wave Fund)
Elliott & Page Sector Rotation Fund
Elliott & Page Growth Opportunities Fund
Elliott & Page Small Cap Value Fund
Elliott & Page American Growth Fund
Elliott & Page U.S. Mid-Cap Fund
E&P Manulife Tax-Managed Growth Fund
(formerly E&P Manulife Tax-Managed Growth Portfolio)
E&P RSP American Growth Fund
(formerly Elliott & Page RSP American Growth Fund)
E&P RSP U.S. Mid-Cap Fund
(formerly Elliott & Page RSP U.S. Mid-Cap Fund)
E&P RSP MIX SEAMARK Total Global Equity Fund
(formerly Elliott & Page RSP Total
Equity Fund)
MIX AIM Canadian First Class
MIX Elliott & Page Growth Opportunities Class
MIX Elliott & Page U.S. Mid-Cap Class
MIX F.I. Canadian Disciplined Equity Class
MIX F.I. Growth America Class
MIX F.I. International Portfolio Class
MIX SEAMARK Total Canadian Equity Class
MIX SEAMARK Total Global Equity Class
MIX SEAMARK Total U.S. Equity Class
MIX Trimark Global Class
MIX Trimark Select Canadian Class
MIX Short Term Yield Class
MIX Structured Bond Class
MIX Canadian Equity Value Class
MIX Canadian Large Cap Core Class
MIX Canadian Large Cap Growth Class
MIX Canadian Large Cap Value Class
MIX Global Equity Class
MIX Global Value Class
MIX International Growth Class
MIX International Value Class
MIX Japanese Class
MIX China Opportunities Class
MIX U.S. Large Cap Core Class
MIX U.S. Large Cap Growth Class
MIX U.S. Large Cap Value Class
MIX U.S. Mid-Cap Value Class
Manulife Simplicity Balanced Portfolio
(formerly E&P Manulife Balanced Asset Allocation
Portfolio)
Manulife Simplicity Growth Portfolio
(formerly E&P Manulife Maximum Growth Asset
Allocation Portfolio)
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectuses and
Annual Information Forms dated
April 25, 2005, amending and restating Simplified
Prospectuses and Annual Information
Forms dated August 24, 2004.
Mutual Reliance Review System Receipt dated April 27, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Elliott & Page Limited
Elliott & Page Limited
MFC Global Investment Management, a division of Elliott & Page Limited
Promoter(s):
Elliott & Page Limited
Project #668368, 746024

Issuer Name:
RYM Capital Corp.
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated May 2, 2005
Mutual Reliance Review System Receipt dated May 3, 2005
Offering Price and Description:
Minimum Offering: $1,000,000.00 or 5,000,000 common shares; Maximum Offering: $1,900,000.00 or 9,500,000 common shares Price: $0.20 per common share
Underwriter(s) or Distributor(s):
Research Capital Corporation
Promoter(s):
Thomas Taylor
Project #733097

Issuer Name:
SCITI ROCS Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated April 28, 2005
Mutual Reliance Review System Receipt dated April 28, 2005
Offering Price and Description:
Maximum total offering of 30,000,000 Trust Units at $10 per unit = $300,000,000.00
Maximum total offering of 9,000,000 Trust Units at $10 per unit = $90,000,000.00
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Raymond James Ltd.
First Associates Investments Inc.
Wellington West Capital Inc.
Promoter(s):
Scotia Capital Inc.
Project #761866

Issuer Name:
Shatheena Capital Corp.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated April 25, 2005
Mutual Reliance Review System Receipt dated April 27, 2005
Offering Price and Description:
$2,000,000.00 (Maximum); $1,500,000.00 (Minimum) at least 3,000,000 Units ($750,000.00) consisting of one Common Share and one-half of one Common Share Purchase Warrant and/or Flow-Through Common Shares - Price: $0.25 per Flow-Through Common Share or per Unit
Underwriter(s) or Distributor(s):
First Associates Investment Inc.
Promoter(s):
Anthony Cohen
Project #747468

Issuer Name:
South Pacific Minerals Corp.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated April 28, 2005
Mutual Reliance Review System Receipt dated April 29, 2005
Offering Price and Description:
OFFERING: 6,000,000 Units - PRICE: $0.40 Per Unit
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Larry Reaugh
Project #741690

Issuer Name:
Southampton Ventures Inc.
Type and Date:
Final Prospectus dated April 25, 2005
Receipted on April 27, 2005
Offering Price and Description:
A MINIMUM OF 7,700,000 COMMON SHARES AND; A MAXIMUM OF 8,000,000 COMMON SHARES
Underwriter(s) or Distributor(s):
Dominick & Dominick Securities Inc.
Promoter(s):
Kabir Ahmed
Project #738270

Issuer Name:
Sprott Canadian Equity Fund
Sprott Gold and Precious Minerals Fund
Sprott Energy Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectuses and Annual Information Forms dated April 28, 2005, amending and restating Simplified Prospectuses and Annual Information Forms dated October 5, 2004
Mutual Reliance Review System Receipt dated May 3, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Sprott Asset Management Inc.
Promoter(s):
Sprott Asset Management Inc.
Project #688388

Issuer Name:
Sprott International Equity Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated April 28, 2005
Mutual Reliance Review System Receipt dated April 29, 2005
Offering Price and Description:
Series A, F and I Units
Underwriter(s) or Distributor(s):
Sprott Asset Management Inc.
Promoter(s):
Sprott Asset Management Inc.
Project #733964

Issuer Name:
Stukely Capital Inc.
Principal Regulator - Quebec
Type and Date:
Final CPC Prospectus dated April 29, 2005
Mutual Reliance Review System Receipt dated May 2, 2005
Offering Price and Description:
Minimum of $1,000,000.00 - 10,000,000 common shares;
Maximum of $1,790,000.00 - 17,900,000 common shares
Price: $0.10 per share
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
Promoter(s):
-
Project #760147

Issuer Name:
The Hartford U.S. Capital Appreciation Fund
The Hartford Global Leaders Fund
The Hartford U.S. Stock Fund
The Hartford Canadian Stock Fund
The Hartford Canadian Value Fund
The Hartford Growth and Income Fund
The Hartford Canadian Equity Income Fund
The Hartford Advisors Fund
The Hartford Bond Fund
DCA Class A Units, DCA Class B Units and DCA Class D Units
The Hartford Money Market Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 29, 2005
Mutual Reliance Review System Receipt dated May 2, 2005
Offering Price and Description:
Class A units, Class B units and Class D units
DCA Class A units, DCA Class B units and DCA Class D units (currently Twelve Month Series 1 and Six Month Series 3)
Underwriter(s) or Distributor(s):
-
Promoter(s):
Hartford Investments Canada Corp.
Project #749253

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Campbell & Partners Capital Inc.	Limited Market Dealer	April 28, 2005
Suspension of Registration	Resolution Capital Inc.,	Investment Dealer	April 18, 2005
Change in Name	From: HSBC Asset Management (Canada) Limited To: HSBC Investments (Canada) Limited	Limited Market Dealer & Investment & Portfolio Manager	April 25, 2005

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA News Release - MFDA Issues Notice of Hearing regarding Joseph Van Der Velden and Andrew Stokman

MFDA ISSUES NOTICE OF HEARING REGARDING JOSEPH VAN DER VELDEN AND ANDREW STOKMAN

May 2, 2005 (Toronto, Ontario) - The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has commenced disciplinary proceedings against Joseph Van Der Velden and Andrew Stokman, (referred to collectively as the “Respondents”).

MFDA staff alleges in its Notice of Hearing that Joseph Van Der Velden and Andrew Stokman engaged in the following conduct contrary to the By-law, Rules or Policies of the MFDA.

Allegation #1: Between May 2002 and December 2002, the Respondents engaged in securities related business that was not carried on for the account of the Member, through the facilities of the Member, or in accordance with MFDA By-law and Rules, by facilitating the participation of clients of the Member and other individuals in an investment scheme that was contrary to Ontario securities law (the “Lech Investment”) without the knowledge or approval of the Member, contrary to MFDA Rule 1.1.1.

Allegation #2: Between May 2002 and December 2002, Van Der Velden facilitated the participation of clients of the Member and other individuals in the Lech Investment and in the course of doing so, accepted and failed to return or otherwise account for approximately $2.15 million, contrary to MFDA Rule 2.1.1.

Allegation #3: Between May 2002 and January 2003, Stokman facilitated the participation of clients of the Member in the Lech Investment by soliciting approximately $1 million from them (including $500,000 of the $2.15 million referred to in Allegation #2) for investment through Van Der Velden, all of which remains owing and otherwise unaccounted for, contrary to MFDA Rule 2.1.1.

Allegation #4**:** Between May 2002 and January 2003, the Respondents preferred their own interests to those of the clients of the Member and failed to exercise responsible business judgment influenced only by the best interests of the clients of the Member by recommending to the clients of the Member that they participate in the Lech Investment in the expectation that the Respondents would receive substantial compensation as a result of the participation of such clients in the Lech Investment and by failing to provide such clients or the Member with written disclosure of the nature or amount of the compensation that the Respondents were paid as a result of the participation of such clients in the Lech Investment, contrary to MFDA Rules 2.1.1 and 2.1.4.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the Regional Council of the Ontario Region of the MFDA in the Hearing Room located at 121 King Street West, Suite 1000, Toronto, Ontario on Thursday, June 2, 2005 at 10:00 a.m. (EST) or as soon thereafter as can be held.

The purpose of the first appearance is to schedule the date for the commencement of the hearing on its merits and to schedule any other procedural matters.

The hearing is open to the public, except as may be required for the protection of confidential matters. Members of the public attending the hearing will be able to listen to the proceeding by teleconference.

A copy of the Notice of Hearing is available on the MFDA web site at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 181 members and their approximately 70,000 representatives with a mandate to protect investors and the public interest.

For further information, please contact:
Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

13.1.2 MFDA Notice Of Hearing - Joseph Van Der Velden and Andrew Stokman

Notice of Hearing
File no: 200507

IN THE MATTER OF A DISCIPLINARY HEARING PURSUANT TO SECTIONS 20 AND 24 OF BY-LAW NO. 1 OF THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA

Re: JOSEPH VAN DER VELDEN and ANDREW STOKMAN

NOTICE OF HEARING

NOTICE is hereby given that the first appearance in this hearing will be held by teleconference before a Hearing Panel (the "Hearing Panel") of the Regional Council of the Ontario Region of the Mutual Fund Dealers Association of Canada (the "MFDA"), in the hearing room located at 121 King Street West, Suite #1000, Toronto, Ontario on Thursday, June 2, 2005, at 10:00 a.m. (EST) or as soon thereafter as the hearing can be held, concerning a disciplinary proceeding commenced by the MFDA against Joseph Van Der Velden ("Van Der Velden") and Andrew Stokman ("Stokman"), referred to collectively as the "Respondents".

DATED at Toronto, Ontario this 21st day of April, 2005.

"Gregory J. Ljubic"
Corporate Secretary

Mutual Fund Dealers Association of Canada
121 King St. West, Suite 1000
Toronto, ON
M5H 3T9

NOTICE is further given that the MFDA alleges the following violations of the By-laws, Rules and Policies of the MFDA:

Allegation #1: Between May 2002 and December 2002, the Respondents engaged in securities related business that was not carried on for the account of the Member, through the facilities of the Member, or in accordance with MFDA By-laws and Rules, by facilitating the participation of clients of the Member and other individuals in an investment scheme that was contrary to Ontario securities law (the "Lech Investment") without the knowledge or approval of the Member, contrary to MFDA Rule 1.1.1.

Allegation #2: Between May 2002 and December 2002, Van Der Velden facilitated the participation of clients of the Member and other individuals in the Lech Investment and in the course of doing so, accepted and failed to return or otherwise account for approximately $2.15 million, contrary to MFDA Rule 2.1.1.

Allegation #3: Between May 2002 and January 2003, Stokman facilitated the participation of clients of the Member in the Lech Investment by soliciting approximately $1 million from them (including $500,000 of the $2.15 million referred to in Allegation #2) for investment through Van Der Velden, all of which remains owing and otherwise unaccounted for, contrary to MFDA Rule 2.1.1.

Allegation #4: Between May 2002 and January 2003, the Respondents preferred their own interests to those of the clients of the Member and failed to exercise responsible business judgment influenced only by the best interests of the clients of the Member by recommending to the clients of the Member that they participate in the Lech Investment in the expectation that the Respondents would receive substantial compensation as a result of the participation of such clients in the Lech Investment and by failing to provide such clients or the Member with written disclosure of the nature or amount of the compensation that the Respondents were paid as a result of the participation of such clients in the Lech Investment, contrary to MFDA Rules 2.1.1 and 2.1.4.

PARTICULARS

NOTICE is further given that the following is a summary of the facts alleged which the MFDA intends to rely upon at the hearing:

Registration History

Van Der Velden

1. From December 1992 to September 30, 2001, Van Der Velden was registered in Ontario as a mutual fund salesperson with three mutual fund dealers in succession. From July 1995 to July 2002, he was also registered as a branch manager with each of these respective dealers.

2. From October 1, 2001 to December 31, 2002, Van Der Velden was registered in Ontario as a mutual fund salesperson for Cartier Partners Financial Services Inc. ("Cartier") and also served as the branch manager of Cartier's branch office located at 131 Wharncliffe Road South in London, Ontario until July 2002 (the "London Branch"). Effective December 31, 2002, Van Der Velden resigned from Cartier. He has not been registered in the securities industry in any capacity since his resignation.

3. Cartier became a Member of the MFDA on May 15, 2002.

Stokman

4. Stokman was first registered in Ontario as a mutual fund salesperson in August 1994. Stokman was recruited and trained by Van Der Velden and they worked together at the same mutual fund dealers until Van Der Velden's resignation from Cartier on December 31, 2002. On each occasion that Van Der Velden transferred his registration to a new dealer,

Stokman transferred his registration to the same dealer. The Respondents shared responsibility for many of the same clients.

5. Stokman was registered as a mutual fund salesperson at the London Branch from October, 2001 until he resigned from Cartier, effective May 30, 2003. Following his resignation from Cartier, Stokman began working as an insurance salesperson with an affiliate of a different mutual fund dealer.

6. Between July 25, 2003 and October 21, 2003, Stokman was registered as a scholarship plan salesperson in Ontario with Heritage Education Funds Inc. ("Heritage"). Stokman was terminated by Heritage after the Ontario Securities Commission imposed supervisory conditions on his registration pending the completion of the MFDA's investigation of the subject matter of this proceeding. Stokman has not been registered in the securities industry in any capacity since his suspension by Heritage.

The Lech Investment

7. Andrew Lech ("Lech") operated an investment scheme (the "Lech Investment") whereby Lech purported to offer individuals the opportunity to enter into "lending contracts" with him. Subject to variations made on a case-by-case basis, the Lech Investment scheme operated in the following manner:

   (i) An investor gave Lech a principal amount to invest;

   (ii) The investor received a promissory note pledging the return of the principal amount invested at the end of the lending contract;

   (iii) The investor also received a series of post-dated cheques drawn on Lech's bank account that provided the investor with the return promised (typically 10-20% of the principal invested) over the term of the lending contract in weekly installments;

   (iv) The term of the lending contract was typically ten weeks;

   (v) Upon the expiry of the lending contract, the investor was given the option of receiving his principal back or renewing the lending contract for an additional term.

8. Lech also arranged for individuals ("intermediaries") to enter into lending contracts directly with investors and to then use the monies received from the investors to enter into lending contracts with him. An intermediary typically had access to a group of potential investors and was free to negotiate the duration, rate of return, and frequency of payment with each investor. Subject to variations made on a case-by-case basis, an intermediary operated in the following manner:

   (i) An investor gave the intermediary a principal amount to be invested in the Lech Investment;

   (ii) The intermediary gave each investor that he solicited to the Lech Investment a promissory note signed by the intermediary pledging the return of the principal amount invested at the end of the lending contract;

   (iii) The intermediary also gave each investor a series of post-dated cheques drawn on the intermediary's bank account that provided the investor with the return promised (typically 10-20% of the principal invested) to the investor by the intermediary during the term of the lending contract;

   (iv) The intermediary then gave the funds received from the investors to Lech in exchange for a promissory note from Lech to the intermediary;

   (v) Lech provided the intermediary with a series of post-dated cheques payable to the intermediary which were drawn on Lech's bank account;

   (vi) The intermediary was required to pay the returns owing to the investors that the intermediary solicited to the Lech Investment out of the returns paid to the intermediary by Lech;

   (vii) Lech paid the intermediary a significant rate of return (typically 20-35%), thereby enabling the intermediary to pay the returns owing to the investors (typically 10-15%) yet still earn a substantial profit on the spread between the returns paid to investors by the intermediary and the returns received by the intermediary from lending contracts with Lech.

9. In some instances, the intermediary arranged for clients to enter into lending contracts with Lech directly. On those occasions, Lech paid a referral fee to the intermediary comparable to the return that the intermediary would have earned from Lech had the investor entered into the lending contract with the intermediary.

10. As more particularly described below, Van Der Velden became an intermediary for Lech. Stokman did not act as an intermediary but did facilitate the participation of clients of Cartier

("Clients") in the Lech Investment through Van Der Velden.

11. Both Van Der Velden and Stokman also invested their own money in the Lech Investment.

The End of the Lech Investment

12. Lech was not registered to advise or trade in securities in Ontario (or in any other jurisdiction).

13. On May 16, 2003, the Ontario Securities Commission (the "OSC") issued a permanent cease trade order against Lech (the "CTO"), the effect of which was to prohibit Lech, directly or indirectly, from advising or trading in securities and in particular, from continuing to operate the Lech Investment.

14. Prior to and following the issuance of the CTO, the financial institutions at which Lech held accounts used to process transactions in the Lech Investment froze many of those accounts, thereby limiting Lech's ability to process transactions relating to the Lech Investment.

15. As a result of the CTO and the steps taken by the financial institutions, Lech ceased to make payments to Van Der Velden on the lending contracts between Lech and Van Der Velden. As a further result, Van Der Velden ceased to make payments to the investors with whom he had entered into lending contracts.

16. In July 2004, Lech disappeared during the course of a class action proceeding brought against him by investors in the Lech Investment. A contempt Order and warrant for his arrest were issued. On December 3, 2004, judgment in the amount of $60 million was granted against Lech in his absence for fraud, breach of trust, and deceit. In February 2005, Lech's whereabouts were determined and he was arrested and taken into custody.

The Involvement Of The Respondents In The Lech Investment

17. In November 2001, Van Der Velden, Stokman and another individual together invested their own money in the Lech Investment by entering into a 10 week lending contract in the principal amount of $47,000 with an intermediary of Lech. They proceeded to renew the lending contract and over time increased the principal amount of their personal investment with Lech.

18. In or around January 2002, both Van Der Velden and Stokman began soliciting and accepting monies from Clients and other individuals for investment in the Lech Investment through the intermediary with whom they had been dealing.

19. In or around March 2002, Van Der Velden met with Lech and thereafter began acting as an intermediary. Van Der Velden continued to solicit and accept monies from Clients and other individuals for investment in the Lech Investment but, instead of using those monies to enter into lending contracts with the aforementioned intermediary, he began using the accumulated funds that he received from the investors to enter into lending contracts directly with Lech.

20. As described in paragraph 8 above, as an intermediary Van Der Velden received a return of 20-35% on his lending contracts with Lech and earned a profit by paying a return of only 10-20% on his lending contracts with investors.

21. Van Der Velden offered investors, including Stokman as described below, a higher rate of return if they invested larger sums of money or referred additional investors to him.

22. At the end of each lending contract, Van Der Velden gave the investor the option of receiving the principal back or renewing the lending contract for an additional term. Most investors chose to renew the lending contract.

23. Initially, Van Der Velden entered into lending contracts with investors of approximately the same duration as the corresponding lending contracts that he entered into with Lech in respect of those investors' principal. Subsequently, Van Der Velden began entering into longer lending contracts with some investors than the corresponding lending contracts that he entered into with Lech in respect of those investors' principal. This strategy permitted Van Der Velden to use the principal that he received from some investors to enter into multiple lending contracts with Lech while only paying the investors the returns owing on a single lending contract.

24. By mid-2002, Van Der Velden was receiving approximately $10,000 per week in cumulative returns on his lending contracts with Lech. From these payments, Van Der Velden was able to retain at least $10,000 per month after paying the returns owing to the investors with whom he had entered into lending contracts.

25. After Van Der Velden resigned from Cartier in December 2002, Van Der Velden's participation in the Lech Investment constituted his primary source of income.

26. Stokman did not act as an intermediary for Lech but he did facilitate the participation of Clients in the Lech Investment in the following ways:

    (a) Stokman recommended the Lech Investment to Clients and referred them

to Van Der Velden in his capacity as an intermediary;

(b) Acting on behalf of Van Der Velden, Stokman solicited and received monies from Clients for investment in the Lech Investment through Van Der Velden;

(c) Stokman recommended and facilitated the redemption of Cartier approved mutual fund products and the investment of the proceeds in the Lech Investment through Van Der Velden;

(d) Stokman attended and participated in presentations by Van Der Velden to prospective investors about the Lech Investment; and

(e) Stokman assisted with the preparation of documentation for lending contracts between Van Der Velden and investors.

27. Stokman also invested his own money in the Lech Investment by entering into lending contracts with Van Der Velden for his own benefit and, by virtue of his referrals of Clients to Van Der Velden, was paid a higher rate of return on these lending contracts.

28. The Lech Investment was not an investment product approved for sale by Cartier. Van Der Velden and Stokman did not disclose to Cartier that they were participating in the Lech Investment, and recommending and facilitating the participation of Clients in the Lech Investment.

29. Van Der Velden and Stokman preferred their own interests to those of the Clients and failed to exercise responsible business judgment influenced only by the best interests of the Clients by:

(a) recommending that Clients participate in the Lech Investment in the expectation that the Respondents would receive compensation as a result of the participation of such clients in the Lech Investment that substantially exceeded what the Respondents would have received if such clients invested in Member approved investment products instead; and

(b) failing to provide Cartier and the Clients who participated in the Lech Investment with written disclosure of the nature and amount of the compensation and referral fees that the Respondents received as a result of the participation of such Clients in the Lech Investment.

30. In April 2003, prior to the issuance of the CTO, Lech provided Van Der Velden with a promissory note stating that Lech owed Van Der Velden $9 million, which included the principal amount of all of the lending contracts between Van Der Velden and Lech, as well as the returns owing to Van Der Velden on those lending contracts.

31. As of May 2003, when the CTO was issued, the Respondents had solicited a total amount of more than CDN $4 million and U.S. $170,000 from investors (both Clients and other individuals) for investment in the Lech Investment, including approximately CDN $1 million solicited by Stokman from Clients for investment in the Lech Investment by Van Der Velden, all of which remains owing to the investors and is otherwise unaccounted for. Of this total amount:

(a) Approximately CDN $2.15 million was solicited by Van Der Velden from Clients and other individuals while Van Der Velden was an Approved Person of Cartier during the period between May 2002 and December 2002, consisting of:

i. CDN $1.4 million which was solicited by Van Der Velden from Clients, of which CDN $500,000 was obtained from Clients referred to Van Der Velden by Stokman; and

ii. Approximately CDN $750,000 which was solicited by Van Der Velden from individuals that were not mutual fund clients of Cartier;

(b) Approximately, CDN $1.85 million and U.S. $170,000 was solicited by Van Der Velden from Clients and other individuals during the period after Van Der Velden resigned from Cartier in December 2002 and prior to the issuance of the CTO in May 2003, consisting of:

i. CDN $675,000 which was solicited by Van Der Velden from Clients of Cartier, of which CDN $500,000 was solicited from a Client referred to Van Der Velden by Stokman (while Stokman was an Approved Person of Cartier); and

ii. Approximately CDN $1.1 million and U.S. $170,000 which was solicited by Van Der Velden from individuals that were not mutual fund clients of Cartier.

NOTICE is further given that the Respondents shall be entitled to appear and be heard and be accompanied by counsel or agent at the hearing and to call, examine and cross-examine witnesses.

NOTICE is further given that MFDA By-laws provide that if, in the opinion of the Hearing Panel, a Respondent:

- has failed to carry out any agreement with the MFDA;
- has failed to comply with or carry out the provisions of any federal or provincial statute relating to the business of the Member or of any regulation or policy made pursuant thereto;
- has failed to comply with the provisions of any By-law, Rule or Policy of the MFDA;
- has engaged in any business conduct or practice which such Regional Council in its discretion considers unbecoming or not in the public interest; or
- is otherwise not qualified whether by integrity, solvency, training or experience;

the Hearing Panel has the power to impose any one or more of the following penalties:

(a) a reprimand;

(b) a fine not exceeding the greater of:

(i) $5,000,000.00 per offence; and

(ii) an amount equal to three times the profit obtained or loss avoided by such person as a result of committing the violation;

(c) suspension of the authority of the person to conduct securities related business for such specified period and upon such terms as the Hearing Panel may determine;

(d) revocation of the authority of such person to conduct securities related business;

(e) prohibition of the authority of the person to conduct securities related business in any capacity for any period of time;

(f) such conditions of authority to conduct securities related business as may be considered appropriate by the Hearing Panel;

NOTICE is further given that the Hearing Panel may, in its discretion, require that the Respondents pay the whole or any portion of the costs of the proceedings before the Hearing Panel and any investigation relating thereto.

NOTICE is further given that the Respondents have twenty (20) days from the date of service of this Notice of Hearing, to serve a **Reply** upon:

Mutual Fund Dealers Association
121 King St. West, Suite 1000
Toronto, ON, M5H 3T9
Attention: Shelly Feld, Enforcement Counsel.

A **Reply** may either:

(i) specifically deny (with a summary of the facts alleged and intended to be relied upon by the Respondent, and the conclusions drawn by the Respondent based on the alleged facts) any or all of the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing; or

(ii) admit the facts alleged and conclusions drawn by the MFDA in the Notice of Hearing and plead circumstances in mitigation of any penalty to be assessed.

NOTICE is further given that the Hearing Panel may accept as having been proven any facts alleged or conclusions drawn by the MFDA in the Notice of Hearing that are not specifically denied in the **Reply**.

NOTICE is further given that if either Respondent fails:

(a) to serve a **Reply;** or

(b) attend at the hearing specified in the Notice of Hearing, notwithstanding that a **Reply** may have been served,

the Hearing Panel may proceed with the hearing of the matter on the date and the time and place set out in the Notice of Hearing (or on any subsequent date, at any time and place), without any further notice to and in the absence of that Respondent, and the Hearing Panel may accept the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing as having been proven and may impose any of the penalties described in the By-Laws.

13.1.3 MFDA News Release - MFDA Hearing Panel Issues Decision and Reasons respecting Robert Roy Parkinson Disciplinary Hearing

NEWS RELEASE
For immediate release

MFDA HEARING PANEL ISSUES DECISION AND REASONS RESPECTING ROBERT ROY PARKINSON DISCIPLINARY HEARING

May 2, 2005 (Toronto, Ontario) - A Hearing Panel of the Ontario Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA") has issued its Decision and Reasons in connection with the disciplinary hearing held in Toronto, Ontario on March 17, 2005 in respect of Robert Roy Parkinson.

As previously announced, at the hearing on March 17, 2005, the Hearing Panel found that the three allegations set out by MFDA staff in the Notice of Hearing dated January 17, 2005, summarized below, had been established:

- Allegation #1: Between November 2000 and February 2003 inclusive (the "material time"), Parkinson engaged in business conduct which was unbecoming and detrimental to the public interest by soliciting and accepting from clients a total of $337,000, more or less, and failing to return or otherwise account for these monies, contrary to MFDA Rule 2.1.1.

- Allegation #2: During the material time, Parkinson provided false account statements and order forms to clients, contrary to MFDA Rule 2.1.1.

- Allegation #3: On or about February 26, 2003, Parkinson engaged in business conduct which was unbecoming and detrimental to the public interest by abandoning his business as a mutual fund salesperson without notice to his clients or to his mutual fund dealer thereby frustrating the ability of the mutual fund dealer and the MFDA to investigate his conduct, contrary to MFDA Rule 2.1.1.

The following is a summary of the Hearing Panel Orders set out in its Decision and Reasons:

1. A permanent prohibition of the authority of Parkinson to conduct securities related business in any capacity;

2. A fine in the amount of $250,000 with respect to Allegation #1;

3. A fine in the amount of $75,000 with respect to Allegation #2;

4. A fine in the amount of $50,000 with respect to Allegation #3; and

5. Costs in the amount of $7,500.

A copy of the Decision and Reasons, along with a copy of the Hearing Panel's Order respecting Service, is available on the MFDA website at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 181 members and their approximately 70,000 representatives with a mandate to protect investors and the public interest.

For further information, please contact:
Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

13.1.4 MFDA Decision and Reasons - Robert Roy Parkinson

Decision And Reasons
Case # 200501

MUTUAL FUND DEALERS ASSOCIATION OF CANADA

IN THE MATTER OF A DISCIPLINARY HEARING PURSUANT TO SECTIONS 20 and 24 OF BY-LAW NO. 1 OF THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA

RE: ROBERT ROY PARKINSON

DISCIPLINARY HEARING

Heard: March 17, 2005
Panel Decision: April 29, 2005
Toronto, Ontario

DECISION and REASONS

Hearing Panel of the Ontario Regional Council:

Thomas J. Lockwood, Q.C.	Chair
David Sharpe	Industry Representative
Dennis Gregoris	Industry Representative

Appearances:

Robert DelFrate	)	For Mutual Fund Dealers Association of Canada
Robert Roy Parkinson	)	Not in attendance personally or by counsel

1. THE ALLEGATIONS

By Notice of Hearing, dated the 17th day of January, 2005, the following allegations were made against Robert Roy Parkinson ("the Respondent"):

(a) Between November 2000 and February 2003 inclusive (the "material time"), the Respondent engaged in business conduct which was unbecoming and detrimental to the public interest by soliciting and accepting from clients a total of $314,000.00, more or less, and failing to return or otherwise account for these monies, contrary to Rule 2.1.1 of the Mutual Fund Dealers Association of Canada ("MFDA");

(b) During the material time, the Respondent provided false account statements and order forms to clients, contrary to MFDA Rule 2.1.1; and

(c) On or about February 26, 2003, the Respondent engaged in business conduct which was unbecoming and detrimental to the public interest by abandoning his business as an Approved Person without notice to his clients or to the Member, thereby frustrating the ability of the Member and the MFDA to investigate his conduct, contrary to MFDA Rule 2.1.1.

2. SERVICE

The Notice of Hearing provided for a First Appearance by teleconference before the Hearing Panel at 121 King Street West, Suite 1000, Toronto, Ontario on Wednesday, February 23, 2005, at 10:00 a.m. At that time, the Respondent did not appear. Further, no one appeared on his behalf.

At the First Appearance, Enforcement Counsel described the attempts that had been made to that date by Staff to serve the Notice of Hearing on the Respondent. No decision was made on February 23, 2005, as to the adequacy of service. A Hearing Date was set for March 17, 2005. Subsequent to February 23, 2005, the MFDA issued a Press Release and posted a copy on its website, advising as to the time and place of the Hearing.

The Respondent did not appear on March 17, 2005. No one appeared on his behalf.

At the commencement of the Hearing on March 17, 2005, Enforcement Counsel filed a Service Brief, which was marked as Exhibit 1. He also made submissions as to the adequacy of service.

We find that the following steps were taken by Staff to effect service of the Notice of Hearing on the Respondent:

(a) On January 17, 2005, a true copy of the Notice of Hearing, together with a letter addressed to the Respondent, enclosing a copy of the MFDA's Rules of Procedure were sent by registered and ordinary mail, addressed to Robert Roy Parkinson, c/o Ken and Bonnie Parkinson, R.R. 2, Denfield, Ontario, N0M 1P0. The letter advised the Respondent that a Disciplinary Hearing had been commenced against him and set out in detail his consequent rights and obligations.

(b) On the 20th day of January, 2005, Canada Post Corporation delivered a copy of the Notice of Hearing, along with the letter to Ken Parkinson, the father of the Respondent, at the Denfield address.

It is to be noted that the Denfield address was one given by the Respondent to the Ministry of Community and Business Services in connection with 1441213 Ontario Inc., an entity incorporated, apparently by the Respondent, on November 22, 2000, in which he was the sole Director and Officer.

(c) Following delivery of a copy of the Notice of Hearing and the explanatory letter, Laura Gerber, the sister of the Respondent, contacted Enforcement Counsel and requested a copy of the Notice of Hearing. She was provided same by letter, dated February 2, 2005 (see Exhibit 1).

(d) The Hearing Panel was advised that when Laura Gerber contacted that MFDA to request a copy of the Notice of Hearing, she stated that she did not know where her brother, the Respondent, was and that a missing persons report had been issued.

(e) Exhibit 1, Tab 4 consists of a series of printouts from the National Registration Database. This printout shows that the database does not contain a last known address for the Respondent.

(f) A copy of the Notice of Hearing was posted on the MFDA website and a Press Release was issued by the MFDA containing information with respect to the time, location and purpose of the First Appearance on February 23, 2005.

(g) As indicated, when the Respondent did not appear on February 23, 2005, a further Press Release was issued, posted on the MFDA website, advising of the time and place of the Hearing.

(h) The Director of Mutual Fund Operations for the sponsoring dealer of the Respondent provided evidence (see Exhibit 2) that, as of the 11th of March, 2005 (the date of the swearing of the Affidavit), the Respondent's "whereabouts are currently unknown."

After hearing submissions and reviewing the documentary evidence, we are, unanimously, of the opinion that the delivery and publication of the Notice of Hearing, in the manner described above, constitutes good and sufficient service on the Respondent. We made an Order to this effect, pursuant to Rule 4.2(1)(d) of the MFDA Rules of Procedure.

3. MANNER OF PROCEEDING

Rule 13.5 of the MFDA Rules of Procedure provides as follows:

"(1) Where a Respondent, having been served with a Notice of Hearing, fails to attend the hearing of the proceeding on its merits, the Hearing Panel may proceed in accordance with Rule 7.3."

Rule 7.3 provides that where a Respondent fails to attend the Hearing on the date and at the time and location specified in the Notice of Hearing, the Hearing Panel may:

"(a) proceed with the hearing without further notice to and in the absence of the Respondent; and

(b) accept the facts alleged and conclusions drawn by the Corporation in the Notice of Hearing as proven and impose any of the penalties and costs described in sections 24.1 and 24.2 respectively of By-law No. 1."

Enforcement Counsel advised the Hearing Panel that he wished to proceed with the Hearing in the absence of the Respondent but seek to prove the Allegations by means of admissible evidence. We agreed with that approach.

4. PRESENTATION OF EVIDENCE

The main evidence before the Hearing Panel with respect to this matter consisted of an 86 paragraph Affidavit of Colin Scott Gladwish ("Gladwish Affidavit"), the Director of Mutual Fund Operations for IPC Investment Corporation ("IPC"), the sponsoring dealer for the Respondent during the relevant period of time. Accompanying and forming part of the Gladwish Affidavit was an Exhibit Book containing 73 separate Exhibits.

Rule 1.6(1) of the MFDA Rules of Procedure provides, in part, that:

"(1) . . . a Panel may admit as evidence any testimony, document or other thing, including hearsay, which it considers to be relevant to the matters before it and is not bound by the technical or legal rules of evidence."

Rule 13.4 provides that:

"(1) The Hearing Panel may allow the evidence of a witness or proof of a particular fact or document to be given by sworn statement unless an adverse party reasonably requires the attendance of the witness at the hearing for cross-examination."

Accordingly, we marked the Gladwish Affidavit as Exhibit 2. It formed admissible evidence before us.

Enforcement Counsel advised the Hearing Panel that, in the Gladwish Affidavit, Staff had removed client names and had used initials. This was to protect client confidentiality. He advised that this was not possible to do with the Exhibit Book. He, therefore, sought an Order, under Rule 1.8(2) of the MFDA Rules of Procedure.

Rule 1.8(2) provides as follows:

> "A Panel may order that all or part of a hearing be heard in the absence of the public where the Panel is of the opinion that intimate financial or personal matters or other matters may be disclosed at the hearing which are of such a nature, having regard to the circumstances, that the desirability of avoiding disclosure thereof in the interests of any person affected or in the public interest outweighs the desirability of adhering to the principle that hearings be open to the public."

Rule 1.8(5) provides as follows:

> "Exhibits, documents and transcripts relating to that part of a hearing that is held in the absence of the public shall be marked "Confidential" and shall be kept separate from the public record, and access to this material shall only be by order of the Panel."

After considering the submissions of counsel, the Exhibit Book was marked as Exhibit 3 and, pursuant to a combination of Rule 1.8(2) and (5), it was marked "Confidential".

We also marked, as Exhibit 4, a Corporation Profile Report relating to 1441213 Ontario Inc.

5. THE EVIDENCE

The Gladwish Affidavit revealed the following:

From January 1996 to April 2003, the Respondent was registered as a Mutual Fund Salesperson with the Ontario Securities Commission. In September 1999, IPC became the sponsoring dealer for the Respondent. He worked at a branch office in London, Ontario.

Between November of 2000 and February of 2003, the Respondent induced at least 25 clients to make investments in a product by the name of "Glengarry Investments" ("Glengarry"). The evidence showed that approximately $380,000.00 was given to the Respondent by his clients to invest in Glengarry during the relevant period of time. Of this amount, it appears that the Respondent repaid approximately $42,000.00, leaving approximately $337,000.00 that, at the date of the Hearing, had not been repaid by the Respondent and remained unaccounted for. IPC entered into settlements with all of the clients who had invested in Glengarry through the Respondent and, as of December 15, 2003, had paid the sum of $340,673.22 to these clients.

The evidence showed that Glengarry was not a product known to or approved by IPC for sale by IPC salespersons. It was not a product that was sold by any other person or company. The Respondent would recommend Glengarry to clients seeking to invest in a GIC-like product but wanting a higher rate of interest. The payments on account of Glengarry were made directly to the Respondent or to "Glengarry Investments" or a variation thereof. IPC was unable to find any evidence that the monies received by the Respondent from his clients were ever placed in any *bone fide* investment.

The investments in Glengarry did not appear on account statements sent to clients by IPC. The Respondent provided separate account statements for Glengarry to his clients. These account statements were printed by the Respondent either on IPC letterhead or on copies of IPC letterhead, which the Respondent had altered by replacing the IPC masthead with the name "Glengarry". The Respondent provided his clients with standard IPC Order Entry Forms when they wanted to make an investment in Glengarry.

6. CLIENTS

The Gladwish Affidavit contained a summary of the statements and evidence provided by clients who had been identified as having made investments in Glengarry. A summary of their evidence follows:

a) CLIENTS WG and PG

At all material times, WG and PG lived in Thamesford, Ontario and were clients of the Respondent. They provided two cheques to the Respondent, each in the amount of $20,000.00 and each made payable to "Glengarry Investments". The first cheque was dated November 28, 2000 and the second February 19, 2001.

The Respondent provided WG and PG with at least three statements of account activity concerning their purported investment in Glengarry. The first statement was on the letterhead of "Glengarry Investments", showing a $20,000.00 investment in a product described as "LT GIC 001", for a term of twelve months at an interest rate of twelve percent. The second statement shows a further investment in Glengarry Investments in a product described as "LT GIC 002", for a term of twelve months, also at an interest rate of twelve percent. The third statement is on the letterhead of "Investment Planning Counsel of Canada". It shows an investment in Glengarry as of November 11, 2002. This third statement shows a slightly different account number and describes both products as "LT GIC 001"and shows a purported renewal of investment at an interest rate of 8.25 percent. It also shows an alleged portfolio balance of $43,083.00.

WG and PG were repaid $4,759.00. Thus, their net loss was $35,241.00, excluding any interest considerations.

b) CLIENT JW

JW lived in Parkhill, Ontario and was a client of the Respondent. JW provided to the Respondent a cheque, dated December 8, 2000, for $3,000.00, payable to "Glengarry GIC". This cheque was deposited into an account at a London, Ontario Branch of TD Canada Trust (the "Account"). The Account was apparently in the name of 1441213 Ontario Inc./Glengarry Investments. Exhibit 4 shows that 1441213 Ontario Inc. is a company incorporated on the 22nd day of November, 2000, in which the Respondent was the sole Officer and Director.

Exhibit 15 was a copy of a statement of account activity, which the Respondent provided to JW in November of 2002. The statement was on the letterhead of "Investment Planning Counsel of Canada", listing Investment Planning Counsel of Canada as the dealer and the Respondent as the representative. The investment is purportedly in a product described as "LT GIC 001" and, in November of 2002, was for a term of twelve months at an interest rate of 4.25 percent. The funds of JW were not returned by the Respondent or otherwise accounted for.

c) CLIENT HH

HH was a client of the Respondent. HH has been diagnosed with Alzheimer's and lived in a nursing home. Her son, WH, held a Power of Attorney over her affairs. On March 5, 2001, WH met with the Respondent to discuss investing $50,000.00 of his mother's money from the sale of her house. The Respondent was advised that they were interested in "a low interest rate and low risk investment". The Respondent recommended Glengarry. He was provided with a cheque, dated March 29, 2001, in the amount of $50,000.00. The cheque was on the account of HH and was signed by WH as her attorney, and was made payable to "Glenngarry Investments". The cheque was deposited into the Account.

HH, through her attorney, WH, received at least two statements of account activity from the Respondent. Both statements were on the letterhead of "Investment Planning Counsel of Canada", listing IPC as the dealer and the Respondent as the representative. The first statement shows an investment in Glengarry in the amount of $45,000.00 in a product described as "LT GIC 001". The account statement of September 30, 2002, showed that this investment had been renewed on May 1, 2002, for twelve months at an interest rate of 5.25 percent. The second shows an investment in Glengarry in the amount of $5,000.00 in an investment product described as "ST GIC 001". The September 20, 2002 statement showed that this alleged investment was renewed on May 1, 2002, for a period of twelve months at an interest rate of 3.25 percent.

The $50,000.00 provided to the Respondent by HH, through her attorney, WH, has neither been returned to HH nor otherwise accounted for.

d) CLIENTS BW and KW

BW and KW lived in Parkhill, Ontario and were clients of the Respondent. They provided three cheques to the Respondent, believing they were making an investment in Glengarry, which the Respondent led them to believe was a short-term savings vehicle which earned "better interest than the bank".

The first cheque was dated June 11, 2001, for $5,000.00, and was made payable to "Glenngarry Investments". The second cheque was dated October 3, 2001, for $4,000.00 and was payable to "Glen Gary Investments". On April 30, 2002, BW and KW redeemed $8,308.00 from the Glengarry investment. In June of 2002, BW and KW gave a third cheque to the Respondent, in the amount of $3,500.00, payable to "Glengarry Investments".

When these alleged investments were made, the Respondent, on occasion, provided copies of IPC Order Entry Forms. Exhibit 26 was an IPC Order Entry Form, dated October 4, 2001, showing a transaction in the amount of $4,000.00 for a "GG GIC 6 MNTH TERM". A further IPC Order Entry Form was dated June 4, 2002, showed a transaction in the amount of $3,500.00 for a "GG GIC Pool".

BW and KW provided a total of $12,500.00 to the Respondent to be invested in Glengarry. They redeemed $8,301.01. The remaining funds were not returned to them by the Respondent nor were they otherwise accounted for by him.

e) CLIENT EH

EH lived in London, Ontario and was a client of the Respondent. EH died on March 22, 2003. KH is EH's niece. In 1999, KH was granted a Power of Attorney over EH's affairs and had managed her investments since that time. KH had also been a client of the Respondent since 1997.

EH's money was originally invested in mutual funds with BPI and CI Funds. In or about October 2001, the Respondent recommended that some of the money be transferred to Glengarry. The Respondent advised KH that the returns would be higher and the money would be more easily accessible if anything were to happen to her aunt.

KH provided three cheques to the Respondent. On each occasion she thought that she was making an investment in Glengarry. The first cheque was dated August 7, 2001, for $20,000.00, made payable to "Glenngarry Investments". The cheque was deposited into the Account. The second cheque was dated October 29, 2001. It was made payable to the Respondent personally for $4,975.00. The third cheque was dated January 8, 2002, for $36,000.00. It was also deposited into the Account. For this last investment, EH received a copy of an IPC Order Entry Form, dated January 8, 2002, purportedly showing an investment in the amount of $36,000.00 for "GG Short Term GIC". Of the total investment of $60,975.00, $8,000.00 was redeemed. The remaining funds were neither returned by the Respondent nor otherwise accounted for.

f) CLIENT JK

JK lived in St. Mary's, Ontario and was a client of the Respondent. JK provided three cheques to the Respondent to be invested in Glengarry. JK thought that she was making an investment in Disc Golf. She said that the Respondent advised her that Glen Garry was an ex-police officer and that the Respondent could get a better rate of return if he invested through him.

The first cheque was dated April 26, 2000, for $2,000.00 and was made payable to the Respondent. The second cheque was for $2,500.00 and was also made payable to the Respondent. The third cheque was dated December 5, 2001, in the amount of $4,700.00 and was made payable to "Glen Garry – 1441213".

JK provided a total of $9,200.00 to the Respondent to be invested in Glengarry. The Respondent neither returned these funds nor otherwise accounted for them.

g) CLIENT JB

JB lived in London, Ontario and was a client of the Respondent. She provided $19,000.00 to the Respondent in September of 2001, to be invested in Glengarry. She received a statement of account activity describing the investment as "LT GIC 001" for a term of 144 months [sic] at an interest rate of 8.5 percent. IPC was listed as the dealer and the Respondent as the representative. These finds have not been returned to JB by the Respondent or otherwise accounted for.

h) CLIENT MP

MP lived in Ailsa Craig, Ontario and was a client of the Respondent. On October 29, 2001, he provided the Respondent with a cheque for $6,000.00 payable to "Glengarry Investments – 1441213". This cheque was deposited into the Account. For this, he received an IPC Order Entry Form, dated November 1, 2001, showing a transaction in the amount of $6,000.00 for both "Short Term" and "Mid Term" funds. He also invested a further $1,000.00 and received an IPC Order Entry Form for this amount.

The Respondent has neither returned the $7,000.00 to MP nor otherwise accounted for the funds.

i) CLIENTS FP AND SP

FP and SP lived in Ailsa Craig, Ontario and were clients of the Respondent. They provided two cheques to the Respondent in November of 2001. On both occasions, they were led to believe by the Respondent that they were making an investment in Glengarry.

The first cheque, dated November 23, 2001, was for $10,000.00 and was made payable to "Glengarry Investments 1441213". The cheque was deposited into the Account. The second cheque was dated November 30 [2001], for $10,300.00, and was made payable to "Glen Garry Investments". FP and SP received two IPC Order Entry Forms. The first was dated November 22, 2001, with respect to an alleged transaction in the amount of $10,000.00 for "Glengarry Investments Cashable" in the name of FP. The second Order Entry Form was dated November 30, 2001, with respect to an alleged transaction in the amount of $10,300.00 for a "GG GIC" in the name of SP.

FP and SP provided a total of $20,300.00 to the Respondent to be invested in Glengarry. The Respondent has neither returned the funds nor otherwise accounted for them.

j) CLIENTS KP AND BP

KP and BP lived in Denfield, Ontario. KP provided a cheque to the Respondent, dated February 11, 2002, for $15,000.00, payable to "Glen Garry Investments – 1441213". This cheque was deposited into the Account. KP made further investments in Glengarry in the amount of $2,500.00 and $1,500.00, respectively. KP made withdrawals of $1,000.00 and $2,000.00.

BP also provided to the Respondent a bank draft, dated May 6, 2002, for $42,274.17, payable to "Glengarry Investments".

Together, KP and BP provided a total of $61,274.17 to the Respondent to be invested in Glengarry. They redeemed a total of $3,000.00 of that amount. The balance was neither returned to them by the Respondent nor otherwise accounted for.

k) CLIENT MH

MH lived in Lucan, Ontario and was a client of the Respondent. The Respondent attended on her at home when her GIC came due at the bank. He explained that Glengarry was a "very good company to invest in due to there being much higher interest rates at the time I was investing." MH provided to the Respondent a cheque, dated March 7, 2002, in the amount of $5,000.00, made payable to "Glen Garry Investments". This cheque was deposited into the Account. MH received from the Respondent a copy of an IPC Order Entry Form, dated March 7, 2002, showing a purchase in the amount of $5,000.00 for "GG 5YR GIC". The Respondent has neither returned the $5,000.00 to MH or otherwise accounted for it.

l) CLIENT JP

JP lived in Goderich, Ontario and was a client of the Respondent. She provided to the Respondent a cheque, dated April 21, 2002, in the amount of $17,232.00, made payable to "GlenGarry 1441213", for a purported investment in Glengarry. The Respondent has neither returned the said $17,232.00 to JP nor otherwise accounted for it.

m) CLIENT KP

KP lived in Ailsa Craig and was a client of the Respondent. KP provided two cheques to the Respondent to be invested in Glengarry. The first cheque was dated October 24, 2001, for $4,000.00 and was made payable to "GlenGarry Investments". The cheque was deposited into the Account. The second cheque was dated July 4, 2002, in the amount of $6,000.00, payable to "GlenGarry". This cheque was also deposited into the Account. With respect to the first alleged investment, KP received an IPC Order Entry Form, dated October 25, 2001, indicating a purchase of $1,000.00 for a "Glengarry T-Bill" and $3,000.00 for a fund entitled "Glengarry Balance".

In total, KP provided $10,000.00 to the Respondent to be invested in Glengarry. The Respondent has neither returned these funds nor otherwise accounted for them.

n) CLIENT AG

AG lived in London, Ontario and was a client of the Respondent. Towards the end of October 2002, AG was planning on buying his first home and asked the Respondent to cash out most of his investments. The house transaction did not proceed. Consequently, AG asked the Respondent if there was anything that he could offer him that was "guaranteed and easily liquidated if needed". The Respondent advised him that Glengarry was "guaranteed at 4.25 percent". AG provided to the Respondent a cheque, dated October 25, 2002, for $14,000.00, payable to "Glengarry Investments". The cheque was deposited into the Account.

When AG received a statement from IPC, the investment did not appear on it. He contacted the Respondent, who assured him that he still had the investment but that it was "invested elsewhere and therefore wouldn't appear on the IPC statement." He arranged a meeting to discuss the investment with the Respondent. The meeting occurred in February of 2003. At that time, AG was provided with documentation showing that he had a non-registered account. The account number was 144121300. It showed an initial investment in a product described as "LT GIC 001". Although only $14,000.00 was "invested", the statement on IPC letterhead showed that $15,000.00 was invested for a term of 12 months at an interest rate of 4.25 percent. It also showed that $5,000.00 of the investment had been redeemed. The Respondent has neither returned the remaining funds to AG nor otherwise accounted for them.

o) CLIENT MM

MM lived in London, Ontario and was a client of the Respondent. MM was looking for a short-term no fee investment. The Respondent suggested Glengarry. Thereupon, MM provided to the Respondent a cheque, dated November 7, 2002, for $5,000.00, made payable to "Glen Garry Investments". The cheque was deposited into the Account.

MM subsequently received a statement of account activity showing an investment in "Glengarry Account #144121300" in a product described as "ST GIC 001", for a term of 3 months at an interest rate of 4.0 percent. The Respondent has neither returned the $5,000.00 to MM nor otherwise accounted for it.

p) CLIENT KG

KG lived in Toronto, Ontario and was a client of the Respondent. KG provided two cheques to the Respondent, believing that he was making an investment in Glengarry. The Respondent told KG that Glengarry was a "holding company to purchase the GIC's".

The first cheque was dated November 15, 2002, for $15,000.00, and was made payable to "Glengarry Investments". This cheque was deposited into the Account. The second cheque was dated December 12, 2002, for $7,000.00 and was made payable to "Glengarry Investments". On February 25, 2003, KG met with the Respondent and provided instructions that $7,000.00 be transferred from his Glengarry holdings to a money market fund in his RRSP account. He subsequently learned that this transfer never occurred.

The $22,000.00 provided by KG to the Respondent was neither returned nor otherwise accounted for.

q) CLIENT LP

LP lived in Toronto, Ontario and was a client of the Respondent. On November 15, 2002, LP provided a cheque in the amount of $2,000.00 to the Respondent, made payable to "Glengarry Investments". The cheque was deposited into the Account. The Respondent told LP that the investment was in a short-term GIC, which would earn 4.5 % annually. He also told LP that Glengarry was a holding company that purchased GIC's. The Respondent has neither returned the $2,000.00 to LP nor otherwise accounted for the funds.

r) CLIENT TLT

TLT lived in Rodney, Ontario and was a client of the Respondent. In February, 2003, TLT provided the Respondent with a bank draft in the amount of $1,500.00, payable to the Respondent. She believed that she was obtaining an investment in Glengarry. The Respondent has neither returned the $1,500.00 to TLT nor otherwise accounted for the funds.

s) CLIENT DB

DB lived in Aylmer, Ontario and was a client of the Respondent. The evidence presented to the Hearing Panel with respect to DB consisted of an Implementation Check List and an IPC Order Entry Form received from the Respondent. The Implementation Check List shows investments of $4,500.00 in a short-term GIC pool and $4,000.00 in a mid-term GIC pool. The Check List also shows redemptions totaling $3,500.00. The IPC Order

Entry Form was dated January 4, 2002, showing a redemption of $1,500.00 from the "GG Short-Term Pool". Although the evidence is not conclusive, it would appear that DB provided $8,500.00 for investment purposes to the Respondent, $3,500.00 of which was subsequently redeemed. The remaining funds have neither been returned nor accounted for by the Respondent.

7. DISAPPEARANCE OF THE RESPONDENT

The Gladwish Affidavit shows that on February 26, 2003, the Respondent failed to show up for work, without notifying anyone at IPC, either before or after his absence. A preliminary investigation was immediately commenced by IPC and, on March 10, 2003, the Respondent was terminated for cause. A Missing Persons Report was subsequently filed by a family member.

8. APPLICABLE RULE

The three allegations, set out in the Notice of Hearing, allege a breach of MFDA Rule 2.1.1. This Rule states:

> "Each Member and each Approved Person of a Member shall:
>
> (a) deal fairly, honestly and in good faith with its clients;
>
> (b) observe high standards of ethics and conduct in the transaction of business;
>
> (c) not engage in any business conduct or practice which is unbecoming or detrimental to the public interest; and
>
> (d) be of such character and business repute and have such experience and training as is consistent with the standards described in this Rule 2.1.1, or as may be prescribed by the Corporation."

9. THE LAW

Enforcement Counsel presented the Hearing Panel with Written Submissions as well as a very extensive Casebook, for which we are indebted.

While certain of the terms in Rule 2.1.1(a), (b) and (c) are not defined, it is clear that, by any rational standard, the Respondent breached each of these provisions. The evidence, as outlined above, shows that from November of 2000 to February of 2003, the Respondent engaged in a pattern of despicable conduct towards a large number of clients who looked to him for secure investments. As the Alberta Securities Commission stated in the case of Showers (Re):

> "It is hard to imagine more serious types of misconduct by a mutual fund salesperson towards his clients."

Re: Showers (Re) [2004] A.S.C.D. No 1180 at para. 63.

Allegation No. 1

In virtually every instance, the Respondent advised his clients that their monies would be invested in a GIC-like investment known as "Glengarry Investments." The evidence showed that Glengarry was not an actual investment product. The majority of the monies received were deposited into an account over which the Respondent had apparent sole authority. His conduct included a pattern of forgeries, misappropriations of clients' monies, misrepresentations, deceits and concealment, over a period of time in excess of two years.

We are unanimously of the view that the first allegation has been clearly established and we find that between November of 2000 and February of 2003, inclusive, the Respondent engaged in business conduct which was unbecoming and detrimental to the public interest by soliciting and accepting from clients a total of $314,000.00, more or less, and failing to return or otherwise account for these monies, contrary to MFDA Rule 2.1.1.

Allegation No. 2

The evidence is also clear that between November 2000 and February of 2003, the Respondent provided numerous false account statements and order forms to clients, contrary to MFDA Rule 2.1.1. We agree with the submission of Enforcement Counsel that the Respondent's actions were calculated, deceitful and dishonest.

We are unanimously of the view that Allegation No. 2, set out in the Notice of Hearing, has been established.

Allegation No. 3

Allegation No. 3 raises the issue as to whether the Respondent, by abandoning his practice without notice and disappearing, engaged in business conduct which is unbecoming or detrimental to the public interest.

Section 22 of MFDA By-Law No. 1 provides, in part, as follows:

> "22.1 For the purpose of any examination or investigation pursuant to this By-Law, [an] Approved Person of a Member . . . may be required by the Corporation:
>
> (a) to submit a report in writing with regard to any matter involved in any such investigation;

(b) to produce for inspection and provide copies of the books, records and accounts of such person relevant to the matters being investigated; and

(c) to attend and give information respecting any such matters;

. . . and the person shall be obliged to submit such report, to permit such inspection, provide such copies and to attend accordingly."

In this case, the Respondent disappeared without notice to his clients, to IPC or to the MFDA. It is clear that the Respondent failed to co-operate. It is also clear that this failure to co-operate undermined the ability of both the MFDA and the Member to fully investigate this matter and determine the real extent of all of the underlying events.

Does this failure to co-operate amount to business conduct which is unbecoming and detrimental to the public interest? In our view, it does. As the Ontario Divisional Court found in the case of Artinian v. College of Physicians and Surgeons of Ontario:

"Fundamentally, every professional has an obligation to co-operate with his self-governing body".

Re:Artinian v. College of Physicians and Surgeons of Ontario (1990) 73 O.R. (2d) 704

In the factual circumstances of this case, we are of the view that the conduct of the Respondent amounted to business conduct which was unbecoming and detrimental to the public interest contrary to MFDA Rule 2.1.1. Consequently, we find that Allegation No. 3 has been established.

10. PENALTY

Enforcement Counsel, in his written and oral Submissions, sought the following sanctions:

1. A permanent prohibition on the authority of the Respondent to conduct securities related business;

2. A fine in the amount of $150,000.00;

3. Costs in the amount of $7,500.00.

11. FACTORS TO BE CONSIDERED

The Supreme Court of Canada, in the case of Pezim v. British Columbia (Superintendent of Brokers), [1994] 2 S.C.R. 557 at paragraph 59, held that the primary goal of securities regulation is the protection of the investor. The Court also found that other goals included:

". . . ensuring public confidence in the system."

In the Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission) [2001] 2 S.C.R. 132, the Supreme Court of Canada found that the role of the Ontario Securities Commission, under its public interest jurisdiction, is:

". . . to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets."

We believe that, where the circumstances warrant, the role of this Hearing Panel is similar to that of the Commission.

We agree with the Submissions of Enforcement Counsel that in determining the appropriate sanctions, we should, *inter alia*, take into account the following considerations:

(a) the protection of the investing public;

(b) the integrity of the securities markets;

(c) specific and general deterrence,

(d) the protection of the MFDA's membership, and

(e) the protection of the integrity of the MFDA's enforcement processes.

See Derivative Services Inc. (Re), [2000] I.D.A.C.D No.26
Mills (Re), [2001] I.D.A.C.D No. 7 ("Mills")

We, further, agree with the comments made by the Ontario District Council of the I.D.A. at paragraph 6 of the Mills Decision to the effect that:

"Industry expectations and understandings are particularly relevant to general deterrence. If a penalty is less than industry understandings would lead its members to expect for the conduct under consideration, it may undermine the goals of the Associations' disciplinary process; similarly, excessive penalties may reduce respect for the process and concomitantly diminish its deterrent effect. Thus the responsibility of the District Council in a penalty hearing is to determine a penalty appropriate to the conduct and respondent before it, reflecting that its primary purpose is prevention, rather than punishment."

There are a series of Decisions setting out the specific factors that a Hearing Panel should consider. These were summarized by the Alberta Securities Commission in the case of Lamoureux (Re) [2002] A.S.C.D. No. 125, as follows at paragraph 11:

"The Commission and other securities regulatory authorities in Canada have also expressed their

view that, when making orders under s. 198 or 199 of the Act or comparable provisions in other jurisdictions, to protect the public, we consider a broad range of factors such as:

- the seriousness of the allegations proved against the respondent,
- the respondent's past conduct, including prior sanctions, mitigating factors,
- the respondent's experience in the capital markets, the level of the respondent's activity in the capital markets
- whether the respondent recognizes the seriousness of the improper activity
- the harm suffered by investors as a result of the respondent's activities
- the benefits received by the respondent as a result of the improper activity
- the risk to investors and the capital markets in the jurisdiction, were the respondent to continue to operate in capital markets in the jurisdiction
- the damage caused to the integrity of the capital markets in the jurisdiction by the respondent's improper activities
- the need to deter not only those involved in the case being considered, but also any others who participate in the capital markets, from engaging in similar improper activity
- the need to alert others to the consequences of inappropriate activities to those who are permitted to participate in capital markets and
- previous decisions made in similar circumstances."

We have expressed above our views as to the seriousness of the conduct of the Respondent as established by the admissible evidence before us. Unquestionably, his actions were planned and deliberate. His status as a Registrant permitted him to gain the trust of his clients. He abused this trust in the most fundamental fashion. The fact that IPC repaid to the Respondent's client over $340,000.00 is a positive reflection on IPC. In our view, it does not, in any way, mitigate the conduct of the Respondent.

It is, in our view, incumbent upon this Hearing Panel to communicate to the Respondent, to the public and to the mutual fund industry as a whole, that serious consequences will be befall those who breach their position of trust and who take advantage of their role as a Registrant. In our view, there clearly should be a permanent prohibition of the authority of the Respondent to conduct securities related business in any capacity and we so Order.

12. FINES

We have set out above our views as to the principles which should guide us in imposing fines upon the Respondent. The only mitigating factor that we are aware of is that this would appear to be the first time that there has been any disciplinary action taken against the Respondent.

On the aggravating side, we considered the following:

1. The Respondent has not made any restitution to any of his clients;
2. There was no evidence before us of any remorse on the part of the Respondent;
3. The events took place over a lengthy period of time, namely from at least November of 2000 to February of 2003;
4. It was not a single transaction, but a whole series of dishonest transactions. We have detailed above the conduct of the Respondent towards 23 clients. The total of the funds paid to the Respondent by the clients over the material time was approximately $380,000.00, of which, at the date of the Hearing, approximately $337,000.00 remained unaccounted for;
5. The Respondent's improper activities caused, in our view, severe damage to the integrity of the capital markets, not only in Ontario but right across the country; and
6. While, owing largely to the disappearance of the Respondent and the consequent inability of Staff to fully determine all of the facts, it is not clear that all of the approximately $380,000.00 made its way into the Account. However, we are satisfied that the logical inference is that the funds were either received by the Respondent or for his benefit.

Allegation No. 1

In light of the above and in light of the penalties which we are imposing with respect to Allegations No. 2 and No. 3, in our view, the appropriate penalty for Allegation No. 1 is a fine of $250,000.00 and we so order.

Allegation No. 2

We have found that, on numerous occasions, the Respondent fabricated account statements and order entry forms and provided these false documents to his clients in order to both mislead and deceive them. In our view, the actions of the Respondent were calculated, deceitful and dishonest. They were done over a lengthy period of time. These false account statements and order entry forms assisted the Respondent in obtaining the monies referred to in Allegation No. 1.

In imposing a fine with respect to Allegation No. 2, we are mindful of the fine which we imposed with respect to Allegation No. 1 as well as the totality principle. We have also reviewed the Decision of the Quebec District Council of the IDA in the case of McCaffrey (Re), Bulletin No. 3151, May 15, 2003, as well as the Decision of the Ontario District Council in the case of Bishop (Re), Bulletin No. 3276, May 4, 2004.

In those cases, the Panel was dealing with, *inter alia*, individual Counts of falsification of documents including issuing fictitious account statements. In the case of McCaffrey (Re), the Quebec District Council imposed a fine of $65,000.00 for each Count, noting that the violations "extended over several months" (paragraph 18) and that the Respondent, in that case, did not obtain personal profit. In the Bishop (Re) case, the Panel found that the Respondent had committed 16 violations of the By-Laws, Regulations and Policies of the IDA between January 2000 and December of 2002. It imposed a global fine of $410,000.00.

In light of the above, we believe that the appropriate fine with respect to Allegation No. 2 should be $75,000.00 and we so Order.

Allegation No. 3

Enforcement Counsel provided us with a series of Decisions from the Investment Dealers Association of Canada, outlining the views of various Panels as to the appropriate fine to be imposed in the case of an individual who refused and/or failed to attend and give information in respect of an investigation, conduct similar to that which we found to be established against the Respondent in Allegation 3 of the current Notice of Hearing.

The Decisions cited were the following:

(a) Re: Robb, Bulletin No. 2908, January 15, 2002 (Pacific District Council);

(b) Re: Grundy, Bulletin No. 2978, April 11, 2002 (Alberta District Council);

(c) Re: Katz, Bulletin No. 2985, April 17, 2002 (Ontario District Council);

(d) Re: Stauffer, Bulletin No. 3071, November 11, 2002 (Ontario District Council);

(e) White (Re), Bulletin No. 3181, August 6, 2003 (Ontario District Council); and

(f) Crittal (Re), Bulletin No. 3335, September 27, 2004 (Alberta District Council).

In each case, the District Council imposed a fine of $50,000.00. We find these cases to be of guidance. Consequently, we impose against the Respondent with respect to this Allegation a fine in the amount of $50,000.00.

13. COSTS

Section 24.2 of By-Law no. 1 provides that:

> "A Hearing Panel may in any case in its discretion require that the . . . Approved Person pay the whole or part of the costs of the proceedings before the Hearing Panel and any investigations relating thereto."

Staff of the MFDA requested that an Order for Costs be made against the Respondent in the amount of $7,500.00, representing "a substantial portion of the costs attributable to conducting the investigation and this Hearing . . . " We believe that the imposition of costs in the circumstances of this case is appropriate and order costs to be fixed in the amount of $7,500.00.

14. PENALTIES IMPOSED

1. A permanent prohibition of the authority of the Respondent to conduct securities related business in any capacity;

2. A fine in the amount of $250,000.00 with respect to Allegation No. 1;

3. A fine in the amount of $75,000.00 with respect to Allegation No. 2;

4. A fine in the amount of $50,000.00 with respect to Allegation No. 3; and

5. Costs in the amount of $7,500.00.

"Thomas J. Lockwood, Q.C."
Chair

"David Sharpe"
Industry Representative

"Dennis Gregoris"
Industry Representative

13.1.5 MFDA Order - Robert Roy Parkinson

Order
Case # 200501

MUTUAL FUND DEALERS ASSOCIATION OF CANADA

IN THE MATTER OF A DISCIPLINARY HEARING PURSUANT TO SECTIONS 20 and 24 OF BY-LAW NO. 1 OF THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA

RE: ROBERT ROY PARKINSON

ORDER

March 17, 2005

Hearing Panel of the Ontario Regional Council:

Thomas J. Lockwood, Q.C.	Chair
David Sharpe	Industry Representative
Dennis Gregoris	Industry Representative

Appearances:

Robert DelFrate	)	For Mutual Fund Dealers Association
	)	of Canada
Robert Roy Parkinson	)	Not in attendance personally or by
	)	counsel

THIS MOTION, brought by Staff of the Mutual Fund Dealers Association of Canada (the "MFDA"), for an order validating service of the Notice of Hearing with respect to a disciplinary proceeding commenced against Robert Roy Parkinson (the "Respondent"), was heard on this day.

UPON READING the Service Brief and the Affidavit of Mr. Colin Scott Gladwish, sworn March 11, 2005, filed;

AND UPON hearing the submissions of Staff of the MFDA, no one appearing for the Respondent;

AND WHEREAS the Respondent was terminated as an Approved Person on March 10, 2003;

AND WHEREAS the Respondent has been the subject of a missing person's report and his whereabouts remain unknown;

AND WHEREAS the records of the National Registration Database do not contain a last known address for the Respondent;

AND WHEREAS a copy of the Notice of Hearing was sent by registered and ordinary mail in a sealed envelope addressed to the parents of the Respondent, Ken and Bonnie Parkinson, on January 17, 2005;

AND WHEREAS the records of the Canada Post Corporation confirm delivery to Ken Parkinson, on January 20, 2005, of the copy of the Notice of Hearing sent by registered mail;

AND WHEREAS following delivery of the copy of the Notice of Hearing to the father of the Respondent, the sister of the Respondent, Laura Gerber, requested a copy of the Notice of Hearing and was provided with same by letter, dated February 2, 2005;

AND WHEREAS the MFDA published a copy of the Notice of Hearing on its website and issued a Press Release in respect of same on January 26, 2005;

AND WHEREAS the Respondent did not attend at the First Appearance on February 23, 2005, or at the Hearing on March 17, 2005;

AND WHEREAS the Hearing Panel is of the opinion that the delivery and publication of the Notice of Hearing, in the manner described above, constitutes good and sufficient service of the Notice of Hearing on the Respondent;

IT IS HEREBY ORDERED THAT:

1. Pursuant to Rule 4.2(1)(d) of the MFDA Rules of Procedure, service of the Notice of Hearing on the Respondent is deemed to be effective as of January 20, 2005.

DATED at Toronto this 17th day of March, 2005.

"Thomas J. Lockwood, Q.C."
Chair

"David Sharpe"
Industry Representative

"Dennis Gregoris"
Industry Representative

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Chapter 25

Other Information

25.1 Consents

25.1.1 Oppenheimer Holdings Inc. - cl. 4(b) of the Regulation

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the Canada Business Corporations Act.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., ss.181, 185.
Canada Business Corporations Act, R.S.C. 1985, c. C-144, as am.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s. 4(b)

April 26, 2005

IN THE MATTER OF
THE REGULATION MADE UNDER
THE BUSINESS CORPORATIONS ACT, R. S. O. 1990,
C. B. 16, AS AMENDED (THE "OBCA")
R. R. O. 1990, REGULATION 289/00 (THE "REGULATION")

AND

IN THE MATTER OF
OPPENHEIMER HOLDINGS INC.
CONSENT
(Clause 4(b) of the Regulation)

UPON the application (the "Application") of Oppenheimer Holdings Inc. (the "Corporation") to the Ontario Securities Commission (the "Commission") requesting a consent from the Commission for the Corporation to continue into another jurisdiction pursuant to clause 4(b) of the Regulation;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Corporation having represented to the Commission that:

1. The Corporation is a corporation existing under the provisions of the OBCA. The registered office of the Corporation is located at Suite 1110, P. O. Box 2015, 20 Eglinton Avenue West, Toronto, Ontario, M4R 1K8.

2. The Corporation is authorized to issue an unlimited number of First Preference shares, issuable in series, and an unlimited number of Class A non-voting shares and 99,680 Class B voting shares. As at March 31, 2005, the issued capital of the Corporation was 13,197,941 Class A non-voting shares, 99,680 Class B voting shares and 0 (nil) First Preference shares.

3. The Corporation is proposing to submit an application to the Director appointed under the OBCA for authorization to continue under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "CBCA") pursuant to section 181 of the OBCA (the "Application for Continuance").

4. Pursuant to clause 4(b) of the Regulation, where a corporation is an offering corporation under the OBCA, the Application for Continuance must be accompanied by a consent from the Commission.

5. The Corporation is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act* (Ontario) R.S.O. 1990, c. S.5 (the "Act"). The Corporation is also a reporting issuer in the Province of British Columbia and in United States of America under the Securities and Exchange Act of 1934. The Class A non-voting shares are listed for trading on the Toronto Stock Exchange under the symbol “OPY.NV” and the New York Stock Exchange under the symbol “OPY”.

6. The Corporation is not in default of any of the provisions of the Act or the regulations or rules made under the Act, is not in default under the securities legislation of any jurisdiction where it is a reporting issuer and is not on the list of defaulting reporting issuers maintained pursuant to 72(9) of the Act.

7. Under the Act, the Corporation presently intends to remain a reporting issuer in the Province of Ontario.

8. The Corporation is not a party to any proceeding or, to the best of its knowledge, information and belief, pending proceeding under the Act.

9. The Corporation is a holding company and carries on no active business. The Corporation owns

directly or through intermediate subsidiaries certain operating subsidiaries in the United States of America.

10. The principal reason for the continuance is to enable the Corporation to benefit from recent amendments to the CBCA which, among other things, reduce the number of directors of a corporation organized under that statute who must be resident Canadians from a majority of directors to at least 25%. Due to the international nature of the Corporation's business and because substantially all of the company's revenues and identifiable assets are derived from or applicable to operations in the United States of America, it is in the best interests of the Corporation to be able to elect or appoint directors and conduct its affairs in accordance with the CBCA.

11. Holders of the Class B voting shares will vote on the proposed continuance at a special meeting of shareholders to be held on May 9, 2005 (the "Meeting"). Holders of the Class B voting shares are the only shareholders of the Corporation entitled to vote on such a matter.

12. The Management Information Circular dated March 24, 2005, provided to all shareholders of the Corporation in connection with the Meeting, advised the holders of the Class B voting shares of their dissent rights in connection with the continuance pursuant to Section 185 of the OBCA.

13. The material rights, duties and obligations of a corporation incorporated under the CBCA are substantially similar to those under the OBCA.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

THE COMMISSION hereby consents to the continuance of the Corporation as a corporation under the CBCA.

“Robert L. Shirriff, Q.C.”

“Susan Wolburgh Jenah”

25.2 Approvals

25.2.1 FT NSI Floating rate Management Co - cl. 213(3)(b) of the LTCA

Headnote

Approval under clause 213(3)(b) of the Loan and Trust Corporation Act - Manager of the trust unable to rely upon Approval 81-901 - Approval of Trustees of Mutual Fund Trusts as units to be sold pursuant to dealer registration and prospectus exemptions - trust created to facilitate public offering by another trust - each trusts’ portfolio linked to the other through forward agreement - manager approved to act as trustee.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. l. 25, as am., clause 213(3)(b).

April 29, 2005

Fasken Martineau DuMoulin LLP

Attention: Krisztian Toth

Re: Application by FT NSI Floating rate Management Co. (the Applicant) for approval to act as trustee of First Trust/Highland Capital Senior Loan Trust (the Trust) pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) (the "Applicant")

Application No. 255/05

Further to the application dated April 14, 2005 (the Application) filed on behalf of the Applicant, and based on the facts set out in the Application, under the authority conferred on the Ontario Securities Commission (the Commission) in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Trust which it will manage.

“Carol S. Perry” "Paul K. Bates”

25.2.2 SCITI ROCS Limited - cl. 213(3)(b) of the LTCA

April 27, 2005

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street, Toronto, Ontario
M5L 1B9

Attention: Nadine Arendt

Dear Sirs/Mesdames:

Re: Application of SCITI ROCS Limited (the "Applicant") for approval to act as trustee of SCITI Fund and other similar mutual fund trusts that the Applicant may establish and manage from time to time (collectively, the "Funds")

Application No. 275/05

Further to the application dated April 19, 2005 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application, pursuant to the authority conferred on the Ontario Securities Commission (the "Commission") in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Funds which it will manage.

"Susan Wolburg Jenah" "Theresa McLeod"

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